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WAGE ADVANCES HAVE UNSETTLED FUTURE OUTLOOK

Uncertainty Prevails As To Whether Buying Will Be Resumed

GOOD CROPS HELP

Tendency to Again Adjust Prices Should Keep Values More in Line With Farmers' Buying Power

Business in the United States is passing through a period of hesitancy because of uncertainty regarding the future. For the time being manufacturers are busy and a large volume of commodities is moving through the various stages from producer to consumer—prosperity prevails. But the demand for goods which has resulted in record car loadings has been accompanied by price advances based on wage increases, which have had a sobering effect. Now the problem which business is trying to decide is whether the check has been due to actual inflation, to be followed by a reaction to lower levels and declining consumption, or whether merely psychological factors are at work with hesitancy only a passing fear of inflation to be followed by a resumption of buying in the fall. The stock markets have lost the gains made in the past year and are reflecting the uncertain feeling of the time being; it does not even seem to be clear whether the ticker is discounting the future or whether speculators have been seized with panic because of the experiences of the previous slump and are, in sacrificing their stocks, adding another disturbing factor to the outlook.

Canada has not enjoyed the present prosperous wave to the extent to which it has been experienced in the United States, but industry appears to be affected by similar influences, although not in the same degree. Canada is dependent to a larger extent upon agricultural income than the United States and the present splendid crop prospects are a constructive factor. The forcing up of prices through wage advances is evidently being checked by the tendency to defer forward buying and this should have the effect of preventing values from getting further out of line with the buying power of the farmer.

Business and financial opinion in the United States takes sides in viewing the future. On the other hand is the argument that the price advances have curbed buying and that a period of reaction is now being faced; on the other, the view that there has been no real inflation, that the financial foundation is sound for continued prosperity and that the public distaste for high prices has helped to adjust the situation in time. The National City Bank of New York says:

> The general conclusion would seem to be that actual construction work will go on at least through the present year at about the capacity of the industry, and that employment in the principal industry, will be maintained as at present. If so, it will mean a resumption of buying and good Fall trade. If the latter is realized, the present slump will have disappeared and the scene of our apprehensions will have been moved ahead to next year.
>
> In valuing the apprehensions which are manifested in some quarters about the present situation it should be considered that neither the price level nor the credit situation is anything like what it was in 1920. No such price decessions as occurred then could occur again, even if we should go into industrial depression, and it follows that there could be no such losses. There is no state of credit extension or stringency for the contraction of business or the sacrifice of assets. There are no such drastic readjustments to be made as were made then, and no possibility of such a shock to confidence as in 1920. There is no occasion as in other periods of prosperity to stop for the purpose of catching up with premature development; there are no stocks of goods to be worked off before more are needed. Here is a nation of 110,000,000 people with daily wants to be supplied, and with industries now fairly well adjusted to world conditions. In no respect are the conditions parallel to those of 1920 and 1921. The entire situation was new and strange then. Nobody knew what might happen to Europe or what the effects might be here. It was all a guess as to how low prices might go and who would be solvent.

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TRADE AGENT NEEDED IN NEWFOUNDLAND

Expressing the belief that it is quite correct that Canada is losing trade with Newfoundland because of lack of a trade commissioner there, a president of a Board of Trade in Nova Scotia writes THE FINANCIAL POST that "we have repeatedly asked the Trade and Commerce Department to send a representative." The letter points out that there are trade representatives at Brazil, West Indies, Cuba, Jamaica but not in Newfoundland, and the belief expressed that "we will continue to lose trade there until a live man is sent to look after it."

Red Influences in the Sydney Strike

There is a strike of iron and steel workers in Nova Scotia. Damage has been done to property of the companies by strikers, and both Provincial police and Federal troops have been stationed there for protective purposes—to prevent the threatened destruction of the plant. Now the Miners' Union of Cape Breton sent an ultimatum to all concerned that this outside protection must be withdrawn or they — the miners — will down tools.

Carried to its logical conclusion, this kind of action brings before Eastern Canada the probability of another winter of suffering through shortage of coal, and the dislocation of industry. The mine leaders of N. S. make no secret of the fact that they are working in harmony with foreign agencies, and that this is part of a general plan to injure investors. The anti-capitalist propaganda carried on in Canadian and U. S. colleges is directed from the same centres.

Bond Interest to be Deducted

In the closing hours of the session of the House of Commons the income tax law was amended to allow companies to deduct bond interest before the filing of a statement of earnings. This means that the existing order of things, recently disturbed by a ruling that bond interest was not deductable but was taxable, will not be changed.

The ruling of the Department of Justice was a serious matter for industries operating with large amounts of capital borrowed on bonds. The amendment is considered satisfactory. The new regulation is that such reasonable rate of interest on borrowed capital shall be allowed as the minister in his discretion shall allow, notwithstanding the rate of interest payable by the tax payer. The rate to be allowed shall in no case exceed the rate being paid by the borrower.

The interpretation of the latter phase is that if a company secures some cheap money, it cannot take advantage of the fact that the minister may have fixed a higher maximum rate of allowance. The existence of a maximum rate, or a rate at the discretion of the minister, is to meet a possible situation of a firm borrowing at an exorbitant rate.

Wage Agreements Work Only One Way

Two weeks ago the bricklayers' strike in New York was "settled" on a basis of $12 a day, but competition of building interests has added already a daily bonus of from $2 to $6, with double time for Saturday afternoons and Sundays.

This "settlement" was simply an agreement, and it was the 242nd agreement in seven years between employers and employed in the building trades.

SOVIET AGENTS TAKE RUSSIANS FROM CANADA

And Make Those Who Remain Here Dissatisfied

From Our Own Correspondent

REGINA.—At this time, when Canadians are considering the whys and wherefores of immigration, a problem concerning the exodus of certain residents of the country is complicating matters. It arises from the departure and pending departure of numbers of Russians who have been induced to return to Russia as the result of propaganda work done right here in Canada by agents of the Soviet administration.

So, one observes, while Canadian immigration agents are busily engaged in overseas countries, handpicking immigrants, envoys of the Bolsheviki are working overtime in Canada, either inducing foreigners to leave Canada in hope of a Red Utopia, or else poisoning the minds of simple and harmless people against Canadian institutions.

The reports concerning the departure, from Western Canada, of several large parties of Russians are not figments from the brain of an alarmist; the statement that these people have been induced to return to Russia by Soviet agents is also true. The Red ambassador finds a fruitful and receptive soil in the foreign settlements of Western Canada wherein to sow his seeds of communism. In fact, in many cases, communism has become a fetish with what the social workers are pleased to call "New Canadians." Several foreign settlements in the prairie provinces have already put the communistic doctrine into actual practice as regards industry, and there is a fairly large-sized element of this part of the population which is convinced that communism has its merits in social and political spheres as well as industry.

DOME JUNE PRODUCTION

Dome Mines set a new record in June production, soaring to $421,779 as compared with $355,532 in May and $160,111 in April.

PRIVATE CONCERN WOULD NOT HAVE BUILT THE LINES

Senate's Slaughter of C.N.R. Branch Line Spending Gets O.K. of Business

SPURS TO NOWHERE

Rumour Has It That Even the Government Was Glad the Plans Went by the Boards

From Our Own Correspondent

MONTREAL.—"Simply forgot they were running a bankrupt road" is the way one Canadian business man put it when in discussing the $28,000,000 appropriation for new branch lines for the C. N. R.—the appropriation that failed to pass. That seems to sum up the more moderate opinion on the matter. Branch line construction even in non-paying districts is often good railroading. In the case of most of those 29 spurs to nowhere it may have been good politics. But what may be good railroading for a profitable line may be a luxury for a line that is going behind many millions a year. The new "national" board of directors, it seems to be generally held, was bitten by the spending bee that has hummed busily around Ottawa all through the session and misguaged the needs of the country and the patience of the taxpayer.

All Lines Voted Down

It was not so much surprise as bewilderment that clouded the minds of business men from coast to coast when the bill was suddenly introduced into the House of Commons to spend $28,000,000 on new railway lines. And before the bewilderment had settled into either approval or disapproval the senate had used the axe in the manner that is now history. Men like Sir George Foster, Senator Lynch Staunton, Sir Edward Kemp, R. V. Bennett, K. C., Senator Lorne C. Webster, Sir James Lougheed, Senator Casgrain, and other men of the same

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CANADA BEATS U.S. IN FLOUR TRADE

Playing Increasingly Important Part in the Export Business

WASHINGTON.—Before the war, the United States exported two and three-quarters as much flour as did Canada. During the war period, however, Canada increased her average year total exports to 7,177,000 bbls., while the amount exported by the United States reached 16,381,000 bbls. During the past three years, ending March 31, last, the average Canadian exports have been 7,885,000 bbls., while the United States exported 15,707,000 bbls., Canada's exports having increased 107 per cent., compared to the pre-war average and those of the United States, 47 per cent.

During the fiscal years 1921 and 1922, ending March 31, for Canada and June 30, for the United States, and during the 12 months ending March 31, 1923, Canada exported an average of 4,068,000 bbls. of flour to the United Kingdom, the United States exporting 2,765,000 bbls. The pre-war averages were 2,355,000 and 2,712,000 bbls. for Canada and the United States respectively. Thus, Canada, since 1921, has increased her pre-war flour exports to the United Kingdom 72 per cent. and the United States 2 per cent.

Let Us Have the Facts About Chippawa

The Canadian Niagara Power Company, developing power at Niagara Falls on the American side, is building a new plant to create 210,000 horse power at $11,000,000, or about $50 per horse power.

The Chippawa development of the Ontario Hydro Commission will, according to estimates submitted to the Gregory Commission by N. W. Rowell, cost $65,000,000, or $260 per horse power developed.

According to these figures Chippawa power, upon which Ontario industry is dependent, will cost five times as much as power being developed at the same source for American industries. Therefore, Ontario industries must either pay a much higher rate than the American industries with which they are competing or else the burden of Chippawa will be thrown upon the general taxpayers, including the manufacturers.

So much has been said about electric power and public ownership developments at cost that the impression has been created that all hydro power is cheap power. Nothing could be more deceiving. The cost of development is a very important factor. It is because of this fact that the private enterprises, conceived by experienced engineers who must keep capital and administrative costs always in mind, have in the past demonstrated time and time again that they can deliver power at a cheaper price and render a more efficient and dependable service than public ownership undertakings where the rates can be made to cover the cost or where deficits can be camouflaged in the people's tax burdens. Chippawa promises to prove a striking example of this.

The Gregory report revealed that Nipigon was going in the hole to the extent of $1,000 per day; that estimates of $3,000,000 had been raised to $14,000,000; that Port Arthur was paying $20 per horse-power for power costing $60 per h.p., and that the province was paying the difference.

There is now an agitation to have the Gregory inquiry suppressed without a report on Chippawa being made public. Indications are that the Chippawa mess is even worse than Nipigon. The power-users and tax-payers of Ontario will look to the Ferguson government to let the inquiry continue so that the truth may be known. Drury took over a project about which nothing was known. He started to find out. Ferguson has the opportunity of profiting by Drury's experience.

The First Skirmish Failed to Shed Glory on Robert

Real Struggle for Control of Montreal Tramways is Off Until Meeting in December—Information Given Concerning the Assets of the Company

From Our Own Correspondent.

MONTREAL.—The Montreal Tramways and Power Company centre of interest has, for all practical purposes, shifted to the annual meeting called for December next. The meetings this week were hot and stormy; they indicated that President E. A. Robert and the present management have not the confidence of the great mass of shareholders, although many of the shareholders represented at the meeting voted for the Robert group because nothing could be done by voting against them now. The change of management and control must come, if at all, at the annual meeting called for December next. That the "minority" shareholders are not by any means a minority, as was foreshadowed in THE POST last week, was proven. The Robert group does not control the company. This statement is made despite the fact that at the time this is written the result of the counting of proxies is still in doubt.

It would be hard to describe the turmoil and confusion of meetings this week: the shouting, subterfuges, the double meaning statements, the personal attacks and the charges that were heard. Nine years of annoyance bubbled over when distressed shareholders met their president face to face for the first time. There were many confused demands by the opposition group but even the clear-cut questions of the better-informed shareholders failed to elicit direct replies from the directors.

Some Things That Came Out

But some things came out. First, the president admitted that he was wrong under the law in not calling the shareholders together for nine years. He justified his action on the ground that he was up against serious competition on the Island of Montreal, and for that reason did not want to give out information about the company's position.

It came out that the $17,000,000 of "securities owned," shown in the assets, represented potential values, not actual present values. This justified the statement of T. Kelly Dickinson that the stock instead of having a book value of nearly $90 a share as shown by the balance sheet had a value nearer $2 a share.

It came out, as has been pointed out, that the Robert group does not control Tram Power. There is little doubt felt in well-informed circles that when the annual meeting comes round and the real test of control comes after these preliminary skirmishes that the present directorate will be radically changed—washed out entirely perhaps. But progress to this end will be delayed, it is admitted, unless a strong slate is put up by the opposition. The attack on the

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BUSINESS HIT BY THREATS OF LABOR

Vote of the Steel Workers Causes People to Hold Tight to Money

From Our Own Correspondent

SYDNEY.—As a result of continued labor unrest, business in Cape Breton has been adversely affected during the past few weeks.

"This last strike vote of the steel workers has driven business to the devil," declares Ald. M. A. MacKenzie, who is in the clothing line.

"The people are afraid of a long strike and are hoarding their money, spending it only for provisions and actual necessities," he says.

His verdict is endorsed by a music dealer, who gets down to cases. He says that recently a steelworker who had owed him $50 over a considerable period came in with a hard times tale to make a small payment.

Pressed to pay it all, he produced a $100 bill and when change for this was not available, dug up a $50 note and some smaller stuff.

"Everybody at the plant who can do so is saving money in case of a strike," he said in explanation.

EMBARGO MEASURE WORRIES U.S. MILLS

American Paper Manufacturers View New Legislation With Apprehension

NEW YORK.—Is the passage of the bill authorizing the Governor in Council to declare an embargo on pulpwood cut on private lands, a political gesture or does it presage a serious attempt on the part of the Dominion Government to deprive the American newsprint manufacturer of his last available source of Canadian wood? That is the question many an Eastern American newsprint manufacturer is asking himself today and that is the question he is in most cases finding it exceedingly hard to answer. Even when he is inclined to regard the latest move of the supporters of the embargo as more of a political manoeuvre than anything else, he is quite ready to acknowledge the seriousness of any such threat. The newsprint mills of the United States, he will tell you, use about ten million cords of pulpwood a year. In round figures a million cords of this total comes from Canada. While relatively the Canadian imports are small when viewed alongside the total obtained from within the United States, they are, local newsprint men apparently believe, large enough to constitute an important market factor. If the Canadian imports should be cut off, and most of the better informed men in the American industry apparently acknowledge that possibility, the decrease in supply may well embarass the American industry and might even force prices higher.

U.S.A. Now Has Larger Stake in Canada Than Great Britain

Reversal of Pre-War Situation—American Capital Has Poured Into Canada in the Past Few Years and Has Replaced Much of British Funds Formerly Here

From Our Own Correspondent.

MONTREAL.—Since the end of the war American capital has poured into Canada. In the development of water powers, mines, timber and other resources in Canada, United States investors have been greatly increasing their interest. The public borrowings of Canada have been concentrated in the United States during the same period.

This is a complete change in the source of investment capital for Canada. Before the war London was the financial market in which Canada was interested. A large issue of Canadian securities found its way naturally to London. This is not now the case. We have come to look to the United States as our banker.

How Borrowings Swung Over

In the eight years from 1907 to 1914 Canada sold bond issues in the British Isles to a total of $1,483,000,000 or 73.5 per cent. of the total Canadian bonds issued during that period. In the same period borrowings in the United States were $182,000,000 or 9 per cent. of the total volume. But in the eight years from 1914 to 1922 conditions were entirely different. In that interval Canada borrowed from England only $89,000,000 or 2 per cent. of its total volume of borrowings. And in the United States issues were $1,530,000,000 or 33 per cent. of the total.

These figures represent bond issues. In other forms of investment similar conditions have prevailed. There are many statistical calculations available that indicate the extent of the growth of American investment in Canada and the reduction in the proportion of British investments in this country.

It is now calculated by THE FINANCIAL POST that the United States holds 18.5 per cent. of the total outstanding government, provincial and municipal bonds of Canada while the United Kingdom holds 12.8 per cent. Actual figures for the pre-war period are not available but it may be assumed that at least half of all Canadian public bonds outstanding before the war were held in Great Britain and only a very small percentage in the United States. Complete figures

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MUTUAL SUSPICION BIG FACTOR BACK OF TIE-UP IN EAST

Miners' Strike Has Basis on Peculiar Contention

WOULD OUST TROOPS

Refused to Agree That Property Rights be Respected—Did Local Union Head Score Beat?

From Our Own Correspondent

SYDNEY.—10,000 coal miners are on strike, others may join and the mines may be flooded because government officials have refused to withdraw police and troops brought in to protect the property of British Empire Steel Corpn. from wilful damage at the hands of some 3,000 striking steel workers and sympathizers. What practically amounts to an offer to withdraw the forces of law and order was made to the mine leaders, if they would guarantee to respect the right of property. They refused and walked out.

This peculiar stand taken by the miners, which practically amounts to a declaration that the striking steel workers should be allowed to raze the steel plant at will, is only one of the peculiarities about this industrial upheaval which has again struck the maritimes and which is daily assuming a more serious aspect. There were those who saw a possible disruption of the miners' union as a result of a clash with the International head. However, both J. B. McLachlan, district secretary, practically dictator of the whole union situation, has discounted this by hitting out first and getting the union men solidly with him before he was called upon to face the test.

The unions of the maritimes are not in a strong position. The International has opposed the strike and so it is doubtful if aid will come from that quarter. It is the second strike within a 12-month and since then the men have only worked part time, so the family purses are not very well filled. These facts are taken to indicate that the men are not in a position to withstand a long seige.

Some interesting views on the situation will be found below. They were written for THE FINANCIAL POST before the strike was declared. He pictured the coal miners troubles as the dominating factor, whereas events which since transpired, show that the first break was made by the steel hands.

The principal factors in the present trouble are:

A crisis in relations between the British Empire Steel and its Sydney steel workers, who threaten to strike for wage increases and concessions which the company refuses.

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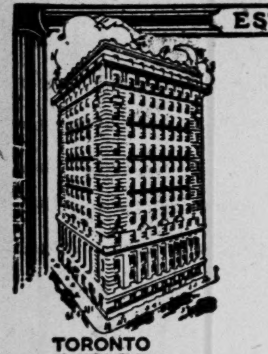

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ONTARIO MAY LOSE OTHER GEOLOGISTS IT IS NOW FEARED

May Follow Knight's Example and Join Private Concerns

STIPEND TOO SMALL

Hard Life in Bush Nets Them Lower Remuneration Than Others in Easier Posts Receive

The Ontario Government's Geological Branch is to lose the services of Cyril W. Knight, assistant chief of the staff, and possibly others, just at a time when mining promises to make great strides forward and when the advice and help of trained and experienced geologists will be in greater demand than ever.

The departure of Mr. Knight from the government service is a serious blow which may be made many times more serious, if, as is reported, others follow his example or follow, or even precede him into the employ of private enterprise. Others are right now considering offers similar to that which Mr. Knight has accepted.

Mr. Knight goes to the Nipissing mine. He goes to a post in which he will be in the most pleasant surroundings. He will be in close contact with three of his old college chums who, like himself, have made good in a big way in their chosen branch of the industry. Mr. Denny, who has worked up a world-wide reputation in his mill developments at the Nipissing. Fraser Reid, who is in charge of Coniagas, and Mat Fairley of the Mining Corporation. To some mining men the latter trio have come to be known as the "Three Musketeers," but Mr. Knight, who was at Queen's with them, has been an equal intimate whenever his duties allowed him to be in Cobalt. Thus instead of rambling through the bush in all kinds of weather with a pack-sack on his back, Mr. Knight will be associated with a company which is known to be much more generous and businesslike in meeting out a reward for faithful services in the form of remuneration than the Ontario Government is.

The trouble seems to be that the government has fixed an arbitrary figure as the limit of pay for its employees at the parliament buildings. Just as a man will put an up set price on a bunch of cows he is dealing in, the government puts on a top salary. The qualifications for any individual posts are not considered. At the same time, faithful employees of the Government sit idly by and see new commissions formed by the government which do not come under this limit. They see new employees step on these commissions and pull down tremendous salaries.

The geologists also see university professors drawing much larger salaries with a much more liberal retiring allowance. Also, while the work of the Federal branch at Ottawa is much the same, the salaries paid these geologists are materially higher.

All Not Fitted

It isn't every geologist that can be a successful government geologist. For instance, as is the case with Mr. Knight, his love for the natural history side of things is much more developed than in the ordinary man. He likes the work, the studies and the research. He has the qualifications and training and his natural bent makes him most desirable for the post he is giving up.

But the history of the mines department shows that it has been a training ground for private enterprise. Take the case of Dr. Miller, the dean of the government geologists. We have it on good authority, that only the fact that he is a bachelor, sees him still in his old post. Certainly, if he was tempted by the lure of money, or if he had the dependents that some of his assistants have, he could not have stayed in the government employ. The former inspector of mines, Mr. Corkill, went to the International Nickel Co. at a much greater salary. Mr. Barlett went to the Coniagas. Mr. Collins to the International Nickel, and others to other excellent positions with private concerns, that were willing to pay them more for their service.

Mr. Knight has been with the government 19 years. He graduated from Queens and took post graduate work at Columbia. He has the greatest knowledge of Cobalt of any person, having just completed a re-survey of that camp. When his report is ready he will go to the Nipissing and take with him that intimate knowledge. Outside his report, the wonderful information which he has gathered will be lost. This is important in light of the recent developments on the Colonial, dealt with elsewhere in this issue. Mr. Hopkins, another geologist, graduated from Toronto and then went to Chicago University and later to Harvard to the Massachusetts Institute of Technology. He has been long with the department. Mr. Burrows has been with the department 21 years.

THE FINANCIAL POST has long contended that the government business should be conducted the same as any other business and pay the same salaries as any other business. The application of this principle seems to be the only thing that will keep the geological staff of the province of Ontario intact.

Delaware & Hudson's Canadian subsidiary, Quebec & Montreal Southern, makes general voluntary 25% rate reduction. Alteration of rates for through freight on connection lines will be effective very shortly.

No Compulsory Wheat Pools for Australia

In discussing the attitude of Australians to wheat boards, Sir George Fuller, K. C. M. G., premier of New South Wales, and Hon. H. S. W. Lawson, premier of Victoria, declared to the Manitoba Free Press that, while compulsory pools of a certain kind were justified under war conditions, the country as a whole was so averse to compulsion in its trade methods and relations that it took about the quickest possible way to divest its government of any form of compulsory methods of marketing. New South Wales almost directly changed to the voluntary pool system. Victoria took a more gradual course. For the first year subsequent to the end of the war measure, which was a federal one, a pool was instituted to be financed by the banks on the guarantee of the state government. That lasted a year. Now a voluntary pool system is operating. A chain of connections has, however, been established between the wheat pools of different states also on a voluntary basis of operation.

FIRES INCREASED DESPITE PERMITS

Annual Losses Are Creating a Serious Situation in New Brunswick

From Our Own Correspondent

ST. JOHN. — This year the New Brunswick government introduced forest travel permits. Every person who wished to enter the woods was supposed to secure a registration certificate from county councillors, road supervisors, game wardens, and others. The certificates were also to be secured in sporting goods stores in the cities. But instead of creating a diminution of the fires, the permit system made no improvement. Many persons entered the woods without permits, started fires, and the fires resulted in damaging forest blazes that destroyed valuable timber and pulpwood.

The northern section of New Brunswick has been particularly affected this year by fires. Along the Intercolonial Railway large areas of timberland and pulpwood lands have been devastated. One village, including a lumber mill, was entirely wiped out. The New Brunswick government asked for the Royal North West Mounted Police to patrol this section and endeavor to fix the blame for the fires, but the Dominion Government was unable to grant the request owing to the police being engaged elsewhere. It was felt that settlers along the railway had been starting the fires in the woods.

The heavy fire losses may have a serious effect on the lumbering and pulp and paper manufacturing industries in New Brunswick during this year. A number of lumbering and pulp and paper companies have suffered heavily. Disappointments never come singly. Last winter there was a super-abundance of snow that prevented operations in the woods after the first of February in many instances. The spring floods then damaged many of the mills, and swept to the sea large quantities of cut logs' and now follow the forest fires to complete the troublous triangle.

SAY THE FORDNEY TARIFF PROVED TO BE A BOOMERANG

Middle West Now Demands That President Take Over Wheat

From Our Own Correspondent

NEW YORK.—The Middle West's demand that the President rather an organization to take over two hundred million bushels of American wheat, is regarded by local Canadians as a confession that the Fordney McCumber Tariff with its high duty on Canadian wheat has not pulled the American farmer out of the mess in which he found himself after the debacle of 1920. The recent wheat conference in Chicago, held under the leadership of Governor Preus of Minnesota made it quite clear that the carry over of wheat from last year's crop was unusually heavy. Students of the grain market, at the time told your correspondent, that the size of the carry over, some 170,000,000 bushels in all, made it equally clear that the Western American graingrowers had not been particularly successful in marketing their surplus abroad: that apparently a very large portion of the wheat they had been in the habit of selling abroad was still in the barns and elevators. This opinion is now apparently borne out by the demand of the graingrowers that the Government step in and virtually take over their unsold wheat. Not only this but the Department of Agriculture made it known during the past few days that exports of Canadian wheat from the United States have exceeded exports of American wheat since the first of October last by some 17,000,000 bushels. Apparently not only has Uncle Sam been failing to sell his crop abroad but he has been losing the business to Canada.

Proves a Boomerang

"The Fordney McCumber Tariff has proved to be a boomerang," a local wheat broker told THE FINANCIAL POST. The Western graingrowers and their political mouthpieces, the members of the farm bloc, thought that they could raise the price of wheat by cutting off foreign competition and gouging the American consumer. We members of the grain business told them that it could not be done: that the price of wheat was fixed not in Chicago but in Liverpool. But they wouldn't listen to us; they knew it all. The result? Why all the graingrowers are loaded up with grain they have held over since the last harvest. They expected the export demand to grow and export prices to increase. They have indulged in speculation of the worst kind. Now they want the Government to hold the bag. Will the Government do it?"

Local grain export houses apparently do not regard the future with any great pleasure. The recent past has been none too profitable: with the price situation in the United States as it is, many of them do not appear to think that the immediate future is likely to prove any more profitable than the recent past.

Trade With Newfoundland

In connection with the complaints of importers in Newfoundland, that Canada has no trade representative there while the U. S. Consul is actively looking after American business interests, F. C. T. O'Hara, Deputy Minister of Trade and Commerce, has written to THE FINANCIAL POST declaring that "although Canada's exports to Newfoundland have increased, there has been a greater falling off in purchases from the United States." Mr. O'Hara declares that the closing of the trade commissioner's office in Newfoundland in 1921, after sixteen years' experience, has been justified.

It will be noted in the accompanying figures that in 1921, the year when the Canadian trade commissioner's office in Newfoundland was closed, imports from Canada were $14,841,561 compared with $18,767,238 in the previous year, but total imports fell from $40,533,388 to $28,909,727 in the same period, while purchases from the United States declined from $15,414,067 to $9,556,244. Mr. O'Hara points out that from 1912 down and including 1919 the imports from the United States into Newfoundland were greater than from Canada but 1920 to 1922 inclusive the imports from Canada were larger than from the United States, also that the ratio in favor of Canada increased during these three years.

With further reference to the policy of the department of trade and commerce Mr. O'Hara says that "so far as not having a trade commissioner is concerned experience proved that the expense of maintaining a commissioner in Newfoundland was not justified; practically all the business of Newfoundland is done in St. Johns, he says, and the city has a population of a trifle over 37,000; the population of the whole Island is less than 260,000. The policy of sending a Junior trade commissioner to Newfoundland," he adds, "enables the department to keep in sufficiently close touch with developments there."

All of this however, does not alter the fact that a representative of THE FINANCIAL POST while in St. Johns received complaints that Canadian trade service was lacking and that conditions in this respect were favorable to the United States. The comparative figures of Newfoundland's imports may appear favorable to Canada, but in view of conditions there with the total imports reduced more than 50 per cent. between 1920 and 1922 the conclusions from statistics are not necessarily conclusive.

It is evident that Newfoundland's purchasing power has been greatly curtailed by changed conditions which have particularly affected the fishing industry. However, this depression should not continue indefinitely and it is to be hoped that Hon. Mr. Robb, who has been putting aggressive business methods into his department will closely watch developments to see if the appointment of a trade commissioner to Newfoundland would not be warranted in view of the feeling prevailing that the United States looks after its customers while Canada evidently assumes that orders will be given to Canada because of the British connection. Sentiment in Newfoundland will no doubt favor Canadian products but it is not to be expected that orders will be reserved for Canadian manufacturers if American competitors have a representative on the job ready to give better service.

It will be particularly important that Canadian manufacturers be well represented during the era of development of the country's pulpwood resources which is now opening. This will not only mean the erection of mills but the supplying of the many needs of a new group of workers.

TRADE OF NEWFOUNDLAND
Total Imports From Canada, United States and Other Countries.

Years ended June 30—	Total Imports	Imports from Canada	Imports from United States	Imports from Other Countries
1912	$14,733,490	$ 4,818,761	$ 5,074,371	$4,840,358
1913	16,012,365	5,215,537	5,573,733	5,223,095
1914	15,193,726	4,861,047	5,796,906	4,535,773
1915	12,350,786	4,509,827	4.943,752	2,897,207
1916	16,427,336	5,870,456	7,097,779	3,459,101
1917	21,318,310	7,412,300	10,233,899	3,672,111
1918	26,892,946	11,107,642	12,244,746	3,540,558
1919	33,297,184	12,777,684	16,569,236	3,950,264
1920	40,533,388	18,767,238	15,414,067	6,352,083
1921	28,909,727	14,841,561	9,556,244	4,511,922
1922	18,209,853	9,077,165	6,127,958	3,004,730

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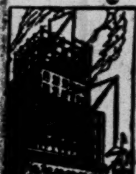
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RAILROADS HAVE HAD A HARD YEAR; SNOW AND FLOODS

Canadian Pacific As a Result Shows Lower Net Earnings

TRAFFIC GREATER

There Has Been a Much Larger Volume of Freight to Handle and Lower Rates in Force

From Our Own Correspondent

MONTREAL.—The month of May has usually been a satisfactory period for Canadian Pacific Railway from the standpoint of earnings and the figures for May, 1923, which have been issued, are more disappointing in the face of previous records. After being ahead of last year in both gross and net earnings at the end of April the line now stands behind 1922 in net earnings although gross earnings are still very high. The figures came out just when the stock market was being badly hit by other influences and C. P. R. reacted some points although later it came ahead strongly with other stocks.

Business activity throughout Canada is on the upward grade, it is evident, for gross earnings of the Canadian Pacific were $14,455,538 as compared with $13,664,245 a year ago. But working expenses were increased. For the month of May they were $12,327,291 as against only $11,318,732. This is an increase of well over one million dollars, although the increase in the gross earnings was less than $700,000. It is understood that the floods in eastern and western Canada during April and May had much to do with the increase of over a million dollars in the working expenses of the line.

Comparing the Figures

The gross and net earnings from the Canadian Pacific Railway in 1923 together with the figures for May 1922 were as follows:

	1923	1922	Inc.
Gross .	$14,355,538	$13,644,245	$ 691,293
Wk. exp.	12,357,291	11,319,732	1,037,559
Net . .	$1,998,247	$ 2,344,513	*$346,266

For the first four months of the year the record has been as follows:

	1923	1922	Inc.
Gross .	$65,901,574	$62,484,910	$3,416,603
Wk. exp.	58,757,215	55,033,153	3,724,062
Net . .	$7,144,359	$ 7,451,757	*$307,062

* Decrease.

It has been a difficult year for the railroads of the country because of the heavily increased operating expenses. First, the snowstorms and blizzards and now the washouts have caused a delay in getting back to more normal earnings position.

The roads, including C. P. R., are also under the disadvantage of a rate schedule that provides very low rates for many important commodities, including grain. Last year the rates were higher than during the first six months of 1923. The Crow's Nest Pass schedule came into force in July 1922. Thus the increase in gross earnings has not fully reflected the increased tonnage moved and that has greatly increased the amount of effort involved in moving it. For the last six months of 1923 comparisons with last year will be on the basis of similar rates.

Despite lower net earnings, no doubt is felt as to the position of C. P. R. A few months adverse earnings are not a serious factor for C. P. R. especially when the tremendous increase in the traffic is considered. Moreover the earnings are still such as to ensure dividends, and in addition there is always the substantial revenue received from the other departments of the railroad's activities that go to make up the additional 3 per cent. that is paid over and above the 7 per cent. paid from various profits.

Ontario Hydro Wipes Out Hamilton's Surplus

After the Hamilton Hydro Commission had issued a statement for 1922 showing a surplus of $10,159, another power bill was received from the Ontario Hydro Electric Commission for $53,638. This created a deficit of $43,478, but this was reduced to $25,005 because the local commission charged the city $18,473 to cover undercharges during the year.

Costs "Leviathan" £8,000 a Year for Its Title

From Our Own Correspondent

MONTREAL.—When the United States Shipping Board started the rebuilt Leviathan on its career the other day it had the boat remeasured and "discovered" that the original German builders had made a mistake in measuring its tonnage. The Leviathan, it was learned, was not the second largest boat in the world, with the British liner Majestic leading the van, but was actually the largest boat of all. A storm of controversy in daily and shipping papers has ensued.

But it is left for the Daily Express of London, to cap the controversy. It remarks that the United States Shipping Board has achieved the most costly advertisement in the world, and proceeds to point out that if the remeasurement of the ship had not been attempted it would have saved £8,000—or nearly $40,000—a year in dock and harbor tolls that must now be paid in addition to former charges because of the boat's "added" tonnage.

Italy Working for a Balanced Budget

The financial situation of Italy shows a substantial improvement, according to the National Bank of Commerce in New York. In the July issue of Commerce Monthly, it says that a summary of the financial accomplishments up to a few months ago indicate that the trend of Italian finances has been in the direction of a definite and favorable reduction of the deficit.

It is difficult to obtain figures for the total revenues and expenditures of Italy for the last four fiscal years that may be relied upon for purposes of an accurate appraisal of the progress toward a balanced budget. The various estimates, however, all disclose the same general and unmistakable tendency. The revenues have been increasing and the expenditures have been decreasing. All statements agree as to the marked decline in the deficit in the last four years.

Record Production of Motors and Trucks

The automobile industry has had the greatest six months in its history, outdoing the most sanguine expectations. The following table shows production of cars and trucks in the United States since January and comparison with last year:

	1923 Passenger cars	1923 Trucks	1922 Passenger cars	1922 Trucks
Jan. ..	223,706	19,398	81,693	9,416
Feb. ..	254,650	21,817	109,171	13,195
Mar. ..	319,638	34,681	152,959	19,761
April .	344,474	37,527	197,216	22 342
May ..	350,180	42,983	232,431	23,788

PRAIRIE CROPS WILL HELP B.C. LUMBER TRADE

Offshore Markets Quiet With Exception of Japan

From Our Own Correspondent

VICTORIA.—News from the prairie provinces that the wheat crop, barring hail storms, should be as large as the bumper one of 1915 has encouraged British Columbia lumber business tremendously. The prairies are usually big buyers of Coast lumber, although indifferent crop results, decline in the price of wheat and other factors have kept them out of the market in a big way for two or three years. With a bumper harvest this year the prairies should be able to complete payment of their debts and go in for extensive buying, in which case the British Columbia lumber industry will do exceedingly well with the rail trade.

The offshore markets for British Columbia lumber, with the exception of Japan, have been weak lately. China has offered to buy 6,000,000 feet of railway sleepers, but the mills regard that as unprofitable business and have been more interested in orders from South Africa and South America. The Antipodes have been buying very lightly.

The East has dropped out of the ranks of the big buyers of lumber from this province after keeping the mills busy for practically a year with a volume of trade almost unprecedented in this section. There are strong indications that the East—meaning both Eastern provinces and states—will start purchasing again in the early fall.

Although there has been a general decline in demand for British Columbia lumber on the Atlantic seaboard and in many of the eastern centres of population, the rural districts of the Middle West have continued in the mood for buying, and in addition the Japanese field has opened up again, offering the mills equipped for handling export orders business from an unexpected quarter just at a time when it was feared that trade was headed for a sharp break and general softening of prices.

Suziki & Company, one of the largest Japanese lumber importing companies, has announced its willingness to take 18,000,000 feet of Jap squares on this coast, and this order will be filled during the next few weeks, as Japanese business is again welcome. The Japanese market is paying good prices for what it gets. The mills have sufficient Japanese orders on hand to keep them cutting until well on in August.

The trans-Pacific freight situation is now more favorable to the lumber trade and the entrance of British ships has resulted in a decline in rates which for months have been maintained at a fictitious level by the Japanese ship operators.

SAY HYDRO BUSINESS PRINCIPLES UNSOUND

Unfair to Private Competitors and Bound to Fail in the Long Run

From Our Own Correspondent

MONTREAL.—The unfairness of the competition of the Ontario Hydro Electric Commission's retail stores was strongly stressed at the thirty-third annual convention of the Canadian Electrical Association, and determination expresed in a fight for the rights of the association's members against this discrimination.

After analyzing the electrical situation in Ontario, the president, P. T. Davies, in his annual address, said various appeals were sent both to individuals of member companies and to the executive to attend some of the sittings of the Gregory Commission, with a view to presenting evidence regarding the Hydro Electric System of Ontario.

"Our association, while insistent upon guarding the rights of its own member-companies to live and fill a legitimate and protected place in our modern social structure, is quite satisfied that time alone will show to the owner of property in Ontario, and also to the people at large, the economic impossibility of operating for any length of time these necessities which history has again and again proved can only be run permanently by private agents.

"This association feels that it is unfair for any governmental body such as the Hydro Electric Power Commission of Ontario, to escape the payment of the normal taxes incident to the operation of such a system by private ownership. The fact that the Hydro Electric Commission in its operation pays neither income tax to the government of the country, nor any provincial taxes whatever, is benefiting the few customers in Ontario at the expense of not only the non-users in Ontario, but also every other person in the Dominion of Canada.

"When this freedom is carried to the limit that the Hydro Electric System pays no sales taxation on the appliances which it buys for resale, a legitimate ground of criticism is present among those dealers in Ontario who have to sell in competition with such merchandising outlets."

MUTUAL SUSPICION BIG FACTOR BACK OF TIE-UP IN EAST

(Continued from Page 1)

the miners of Cape Breton, Pictou and Cumberland, who are now taking a strike vote.

The formation of an active offensive and defensive alliance between the miners and steelworkers.

Interference in the affairs of District 26 by John L. Lewis, International president who has ordered a new election of officers and has practically forbidden the proposed coal strike.

The company contends it cannot afford the increases asked and advised the miners that it will expect them to live up to their present contract, signed at the close of the August, 1922, strike, which has still until January 15, 1924, to run. Lewis has urged the miners not to break their contract. The miners reply that the contract has already been grossly violated by the company; the latter rejoins that the contract has been lived up to in all essentials.

J. J. McIntyre, nominal leader of the steel workers, and Forman Waye, M. P. P., their active leader, do not figure strongly. McLachlan is likely to treat the Sydney laborites with scant courtesy because of their having deserted him when he was running against W. F. Carroll, M. P., in Cape Breton South, in the 1921 Federal contest. McLachlan is the storm centre and crux of the whole situation. The steel strike seems to have been well planned so as to avoid forcing McLachlan into a defiance of Lewis. For instead of a strike for higher wages the miners are on a sympathetic strike.

McLachlan's Position

Many wonder what factors have placed McLachlan in such a powerful position, whereby he is a veritable dictator of the action of some 12,000 men. The answer is that the real source of his strength with the men of District 26 is his invincible honesty. Even his most inveterate enemies will admit that "Jim," as he is known, is heart and soul in the labor movement, and the miners of Nova Scotia have been sold out so many times by false prophets of one kind and another, that they are willing to overlook a lot of Red talk—which after all may be merely campaign oratory—for the sake of a man they can trust with the kale, which is considerable in this area, amounting to over $140,000 a year in union dues.

In the meantime the country is concerned with the outcome. The order of Lewis for a new election may be far reaching. It is really an anti-Red move. He has called for the suspension from membership officers and men of the union who give aid and comfort to the U. M. W. Progressive movement, recently organized by Alex. Howatt, deposed leader of the Kansas miners. As the radical officers of District 26 (Nova Scotia) have done this very thing, it is shrewdly suspected here that Lewis' dictum may have been aimed in this direction. There are those who see a reasonable hope in this for the early downfall of the Livingstone-McLachlan regime, who were active on behalf of Howatt, when he was detained at the American border on his way to take part in the Glace Bay Red Flag demonstration. The indications are that the radicals will be disqualified before the special election ordered for August 21 takes place. Whether this can be done without destroying the whole organization in Nova Scotia remains to be seen.

Other Factors

The opinion has been expressed that McLachlan can be defeated by Dan Willie Morrison, M. P. P., of Glace Bay, but others declare Willie needs McLachlan's support to keep him in his jobs as M. P. P. and mayor of Glace Bay. The execution of Monsignor Butchkavitch in Russia, was used in condemning the proposal of District 26 officers for seeking affiliation with the Red International Labor Union some months ago, but this had little effect, as radical delegates were sent to the recent New Glasgow convention by locals predominantly Roman Catholic in membership. The whole convention was radical in complexion, the conservatives having only one or two men on the floor. Even their leader, Robert Baxter, was defeated in his home local of Caledonia, when he tried to become a delegate.

Lewis, it is considered here, "has greased the skids" for the radicals in Nova Scotia, and if it is possible to get rid of them at all, his Howatt-Progressive scheme should do the trick.

It is believed by many that an impartial enquiry would show that the real cause of the trouble in the district is the mutual suspicion between the men and operators.

One of the greatest difficulties which crops up in settlement of disputes is the absence of industrial data in which the public has confidence.

This does not mean that it is difficult to get figures about the coal and steel business. The air is thick with propaganda carried on in every conceivable way. The unions, in spite of their protestations of virtue, are not far behind the operators in this respect, and every issue of their newspapers contains yards of cleverly distorted stuff designed to further befog the issues.

Just a concrete instance: About a year ago, coal operators announced, during a controversy, that it costs them between $4.50 and $5 to mine a ton of Cape Breton coal. The very next Sunday, at a public meeting, J. B. McLachlan produced a "cost sheet," which he broadly hinted had been stolen from a coal company office, and which purported to show that the cost to the operators of a ton of Cape Breton coal loaded on cars at the mine mouth is about $1.39.

Under such circumstances, who is the public to believe?

Mutual suspicion is the real cause of much of the trouble in this district. The miners and operators for so long have been going to the mat with no holds barred, that neither will believe a word the other says on any fact which is not common knowledge. There is a feeling here that great progress toward industrial peace might be made by the appointment of a government fact finding commission to probe the coal and steel industries—providing such a board could be given powers to make its search effective.

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PLAYING SAFE

A stock salesman was trying to pry loose the golden dollars from an Ontario farmer, but Mr. Farmer had had his experience with watered stocks and "get-rich-quick" schemes and had made up his mind to stick to his own business.

The stock salesman, after a wonderful canvass and the painting of the most beautiful word picture, said: "Now Mr. Jones, you know this company hasn't got a dollar's worth of watered stock in it. How much are you going to buy."

"Young man," he said, "the next stock I buy is going to have four legs, and I will water it myself."—Forbes Magazine.

Apply Profits on Bonds to Reduce Book Values

Following the rapid rise of bond values over the past two years a number of life insurance companies have been disposing of securities at a profit, taking in exchange therefor other securities, and to apply the profit on the securities disposed of to write down the book value of the securities acquired.

The question of whether this is permissible or not has come up and been referred to the Dominion superintendent of insurance. The department announces its agreement to the plan being followed, provided the amount written down is shown as an expenditure in the annual statement.

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News and Views for Investors

CROW'S NEST PASS AGREEMENT

It is reported in Ottawa that the Crow's Nest Pass agreement will be suspended again for another year except in grain and flour. This means that the existing rates, expiring on July 6th, will be continued under the same conditions as last year.

CANADIAN PACIFIC

Canadian Pacific has declined during the week from 152 to 146½ on sales of 319 shares. Most of heavy selling was at New York where the issue dropped to 141½ and it is believed that the poor report on May earnings issued late last week was in a measure responsible. C. P. R. sold at 162 on April 18 this year, the high mark of the year.

CONSUMERS GAS

Evidently the institutional buying which is suspected as being responsible for running Consumers Gas up to 162⅝ during the past couple of weeks has been completed, for the price has eased off again to 159 on practically light selling. It was about the second week in June that a steady accumulation of the issue became apparent and the issue moved up from 156. Total sales since then have reached 696 shares.

NATIONAL BREWERIES

National Breweries common has firmed somewhat towards the close of the week's trading, selling a point above the week's opening price but a half point below the high of two weeks ago. There has been quite a heavy trading in this issue and no doubt the favorable vote in Manitoba and Ontario played a part in making this issue seem more attractive. This was practically the only general stock to score an advance during the week.

STERLING COAL

Sterling Coal common is in some demand since the declaration of a dividend on a 4 per cent. basis. Few shares are offering, but small blocks have been purchased around 41 to 43. The company is doing very well, and thanks to its exceptionally strong liquid position can seize all business opportunities offering. This, coupled with the good management, gives hope for still better things for the common before long. Sterling Coal bonds are strong. A few sold this week at 91.

ONTARIO LOAN AND DEBENTURE

Two small blocks of Ontario Loan & Debenture stock have changed hands during the past week. The first, a block of 50 at 83 and the second, 20 shares at 82. Only one previous transaction in the shares took place this year, Feb. 8, 25 shares at 85. The par value of these shares is $50. In 1921, dividends were 10% plus ¼. In 1922, 10 per cent. and so far this year has paid the usual 2½ per cent. per quarter, plus an extra one per cent. in January. The company is in an excellent position and it would not be surprising to see it go on a 12 per cent. basis in the not distant future. At 82 the return is 6.70 per cent.

HOLLINGER

Bearish influences worked on Hollinger gold stock and nearly got the issue down to $11, but at that did succeed in creating a new low for 1923 of around $11.30. The rumors about had to do with the company's power. Hollinger is now grinding 4,500 tons of ore daily, using Northern Canada Power and its own auxiliary. This week-end should see the big mine get all the power it wants. This will tend to reduce costs. In the meantime Holly is going ahead with plans for its own power development.

BRITISH EMPIRE STEEL

As was to be expected, British Empire Steel issues weakened following the declaration of the steel workers' strike which was followed closely by the walkout of the company's miners. The second preferred, the most active trading issue which on June 1 was selling at 24, has broke down to 18 and 19, the decline having been quite steady. There was no serious break on the strike declaration, which may be taken as an evidence that the industrial upheaval at the company's plants was fairly well discounted beforehand by the market. The common and first preferred have shaded but little in price.

GOLDALE

Goldale is a stock which is selling reasonably cheap, with good promise of good profits, say Forrest, Dobie & Co. in a letter to clients. They point out that the property of 120 acres alongside McIntyre is proven, and they understand is included in a merger of Plenaurum & Armstrong Booth. A glance at the map will show just what such a possibility means for the stock. The merger leaves Goldale with about 1,800 acres of other well located claims, some of which are regarded in certain quarters as even more valuable than the Pearl Lake holdings. Definite offers have been received for various claims at good prices, but we understand a deal with English interests for a considerable portion of the acreage is practically assured. It is not beyond the range of possibility that Goldale may find itself in a position to make a cash distribution this year and still retain good value for every share outstanding at higher than present prices.

DOME MINES

Dome shares are going just opposite to what the directors had hoped it would and is now selling around 35, while sales at much lower prices have been recorded at New York. The general depression at Gothan is no doubt responsible for the continued selling, over 10,000 shares having changed hands since June 1st. Conditions at the mine are much better than when the annual meeting was held, diamond drill results on the 12th level of the South workings having cut a fine body of ore. The statement of June earnings is expected to be equal to that of May which was one of the best in the mine's history.

INDIAN MINES

A meeting is being held this week at Stewart, B.C., to consider a deal for the Indian Mine group of the Portland Canal area. This mine is controlled by Toronto and Montreal interests. Malcolm Stobie, of Stobie Furland, and H. S. Denny, a London engineer, and R. B. Lamb, will be on hand to go into a possible deal on behalf of large British interests. The Indian has immense holdings, part of which adjoin the Premier mine. Underground work to date has opened up fairly substantial ore bodies and assays at depth indicate a continuance of these ore bodies. The Indian is capitalized at $1,258,000. The new plan is for a $3,000,000 company.

OGILVIE MILLING

Ogilvie Milling shares broke down another 19 points during the week. The last sale, a 5 share lot changing hands at 281. The day previous 65 shares sold at 282 while the previous sale was on June 12, 23 shares at $300. The present sales create a new low for this issue for the year, the previous low mark for 1923 being 288 on January 1. The general outlook of the milling industry is said to be far from bright and this is causing the general depression of the shares of the milling group. The present price of wheat and high freights have reduced the margin of profit at the present prevailing prices to almost nothing. Small mills throughout the country are being hit hard.

NIPISSING

Nipissing is now selling at par, $5, the lowest mark the big silver producer has reached in a long time. This is in keeping with the general trend of the silver issues. Many holders of silver shares are wondering what effect the ending of the Pittman purchases in the U. S. will have. The outlook it is said is not good. The U. S. mint has placed its last orders. The entire U. S. production was taken by the treasury at $1, a premium of 25 to 35 cents over the product of other countries. Domestic industries have imported their supply. When the final Pittman deliveries are made it will mean that an amount of silver about equal to the U. S. domestic consumption will be added to the world's market supply. At $5 a share Nipissing returns the investor 18 per cent. The company has a surplus of around $4 a share.

B. C. FISHING

Considerable optimistic news in regard to B. C. Fishing Company's outlook is going the rounds. The most important of this is the fact that the demand for the company's product is now such that he present supplies will be exhausted before the new pack is ready in September. This, it is felt, is bound to bring excellent orders for the new pack, although to date no orders have been placed though the ruling price is some $2 under last year's opening price. The latest report is that negotiations are pending between a number of British Columbia cannery owners and a firm in London, England, for the marketing of about 75 per cent. of the 1923 canned salmon pack. Not knowing what the pack may be, no definite plans could be made to absorb the output, but if the deal is closed, it is expected that about 150,000 cases of salmon will move first and more later if the pack is satisfactory. Another reason for optimism is that the Siberian fishermen did not get to work until late in the season, and while there are large stocks of Siberian fish on the British market from last year, the dealers here anticipate that this fish will be moved over to the continent soon, and the British Columbia salmon will take its place before any more Siberian fish can reach the London trade. Last year pinks moved out first and sockeyes were the last to go, this year the tables changed and inquiries are principally for red fish.

Net profit of Rolls-Royce of America, Inc., for three months ended March 31, 1923, was $141,190, compared with deficit of $157,914 in first quarter of 1922.

QUIET AND WEAK LISTS FEATURED STOCK EXCHANGES

Trading Was of Negligible Quantity Throughout Week

LOSSES RECORDED

Mining Exchange Was Quite Neglected—Brokers Speculate as to When Recessions Will End

The softness of the stock markets which prevailed throughout the most of June has continued into July. Trading has steadily eased until it has reached an almost negligible quantity. There has been no demand for stocks and as one broker put it, unfortunately there has been little selling or he was sure there would have been greater breaks. This has made for an almost neglected list. Nearly half the issues on the exchange showed no change at all. Where there has been any stock offering the trend of the market has been downward.

Strictly investment issues like the banks have held up fairly well as the table below evidenced. This group was responsible for three of the gains of the week. The pulp and paper group has shown the greatest weakness, practically all the leading issues showing a reactionary tendency. Some of the declines have been fairly heavy. This same remark is practically true of most of the other groups only in a lesser degree. Some of the milling issues, which many thought had reached the bottom, have suffered another setback.

A review of the various groups and their standing after the last seven days trading is as follows:

Group	No. of St'ks	G'ns	L'ses	U'chd.
Pulp	11	0	8	3
Specialties ..	13	1	5	7
Tractions	6	0	3	3
Utilities	11	1	3	7
Steel	5	0	3	2
Textiles	4	0	3	1
Industrials ..	9	0	4	5
Milling	5	0	3	2
Banks	13	3	3	7
	77	5	35	37

The mining list has faced the poorest week's trading of the year. Price declines have been noted among most of the leading golds and silvers.

The street is constantly asking how long the New York situation is going to continue, for they are all agreed that the severe break at New York is responsible for carrying the Canadian lists down to the level which they have reached. The general opinion is that the house cleaning among the brokerage houses on the New York curb and Exchange is responsible for carrying prices to such a low level. This in turn has hit the Canadian market in several different ways and was bound to bring about some selling.

What the average investor is asking is how long is it going to last. Hayden and Stone, Boston, believe that sound securities can be bought now with a minimum risk and with reasonable assurance of profit within the next two or three months. They reason that for the market to stay down there would have to be a business depression. They note the absence of one almost infallible sign of a depression, a money stringency accompanied by an overproduction of goods. They claim that the U. S. banking system was never sounder than it is to-day and the average merchant is by no means over-extended.

Spencer, Trask & Co., New York, can see no justification for the heavy declines that have hit the market since the market peak was passed. They believe that if there has been any fundamental change in world conditions, it has been discounted and there is no justification for further declines. They argue as follows:

"Since March 6th 25 representative industrial stocks are down nineteen points and 25 representative rails, nine points, making an average fall for 50 stocks of fourteen points, of which more than half is to be chalked up against June. This fall has not only more than wiped out all the gains that had been made during the bull market of earlier this year, but it has brought the market down lower than during the drastic reaction of November of last year. Indeed, we have to go back a full year to find ourselves on the same level of averages. We feel that as is usual in such cases the pendulum is now swinging too far, and we are accordingly of the opinion that while the present is not the time for heedless plunging in the market, it does seem to us as if the time were again here when the so-called bargain hunter should begin preparing his list of desirable purchases."

BRAZILIAN TRACTION

Earnings of the Brazilian Traction, Light & Power Company, for the month of May showed substantial increases in both gross and net. Gross for the month at 20,990,000 milreis compared with 19,727,000 milreis for April and 16,093,000 for May, 1922. Operating expenses at 8,284,000 milreis were higher by 2,286,000. Net earnings stood at 12,706,000 milreis, or an increase of 2,511,000 over the same month last year. For the first five months of the year the aggregate gross amounting to 96,593,000 milreis showed an increase of 20,344,000, while the aggregate net at 57,812,000, increased by 11,604,000 milreis. It is pointed out in the company's statement that the increased revenue is to a large extent due to the fact that the revenue from some of the services is payable in whole or part on a gold basis and therefore larger receipts in milreis are shown in consequence of the decline in Brazilian exchange.

Wholesale Prices Show Little Change

The Canadian Bank of Commerce index number of wholesale prices in Canada registers but little change from mid-May to mid-June. The number for exports stands at 153.78, as against 153.83; that for imports at 167.53, as against 167.92, and the combined number at 160.65, as against 160.87.

The break in the hog market, which brought about a fall in price to the 1915 level, taken together with lesser declines in the prices of flour, hides, copper and silver, balanced slight increases among exports in the case of wheat, beef, bacon, butter, cheese and potatoes. Likewise among imports decreases in the prices of iron, tin and coke balanced increases in the case of corn, cotton, rubber and linseed oil.

PULP AND PAPER INDUSTRY RANKS THIRD IN CANADA

Analysis of Its Progress Issued by A. E. Ames & Co.

Nowhere else in the world are there such ideal conditions, on such a splendid scale, for a foundation of a great and enduring industry, says A. E. Ames & Co., in a pamphlet on the pulp and paper industry in Canada. Capital invested in the pulp and paper industry towers over every other manufacturing industry in Canada. The capital invested in 1919 was over $347,000,000. This had increased to over $379,000,000 at the end of 1922. The next industry, that of log products, had an invested capital of $199,000,000 in 1919. Next came the manufacture of agricultural implements with a capital investment of $101,000,000 in the same year. The only industry to exceed the pulp and paper industry in the matter of capital invested was that of electric light and power which, however, is not usually classed as a strictly manufacturing industry.

In the value of annual production, according to comparative figures for the year 1920, the last available, there were only four manufacturing industries with annual production exceeding $200,000,000. These were as follows:

Packing industry with a production of	$240,000,000
Milling industry with a production of	239,000,000
Pulp and paper industry with a production of ..	236,000,000
Log products industry with a production of	207,000,000

In the next industry the value of the products was $126,000,000.

In outlining the solid foundation on which the industry rests, the pamphlet says it has an abundance of raw materials, adding that while the arable land of the Dominion is estimated at 350,000,000 acres, it is estimated that no less than 600,000,000 acres of the total land area of the Dominion is covered by forest growth of which 250,000,000 acres is of merchantable size. The balance is of younger stands of timber suitable for pulpwood, etc. The total pulpwood resources are estimated at present at 1,250,000,000 cords without taking into account future benefits of regrowth or reforestation. The rate of regrowth has been estimated at from 2% to 3% per annum under proper scientific supervision.

The present consumption of pulpwood from Canadian forests including that used for Canadian mills and that exported for use in United States mills is approximately 4,000,000 cords per annum.

Natural Timber Reserves

By the very physical character of vast sections of Canada, nature has set aside areas which she has unfitted for agriculture and which, to be of economic value, must be permanently devoted to the development of forests, the conservation of water powers and the production of mineral wealth.

Of Canada's total area of over 3,700,000 square miles, it is estimated that 2,000,000 square miles is of the broken character such as is familiar in Northern Ontario and Quebec. This broken area stretches from Labrador, through Quebec, Ontario, Manitoba and Saskatchewan and northward to the Arctic. This, by its broken, rocky nature, is fundamentally unsuited for agriculture and that portion lying within the timber zone constitutes a great area which nature has seemingly decreed shall be permanently devoted to supplying our needs in forest products. In maintaining our forest areas we shall, at the same time, conserve the abundant water power resources to be found in the numerous lakes and rivers of this northern area. In addition to this reserve there is the vast area of the Pacific coast and important areas in the Maritime provinces in the East.

Because of the fact that coal in Canada occurs either at the Pacific or Atlantic coast or in the provinces of Alberta and Saskatchewan, the industrial structure in Canada and particularly as related to the provinces of Ontario and Quebec, rests, to an unusual degree, on the utilization of water-power. Fortunately, these water-powers are abundant and are well distributed throughout the Dominion and what is perhaps more important, they occur in greater abundance where coal is lacking.

Canada's water-power resources have by no means been fully estimated. It has, however, been carefully calculated that Canada has, at least, 18,255,316 h.p. at a minimum flow. Of this, 6,900,000 h.p. is in the province of Quebec and 4,900,000 h.p. in the province of Ontario. Canada ranks second to the United States only in the total water-power available. In respect to present development Canada ranks second to Norway only and had in 1922 an installation of 315 h.p. per 1,000 of population.

STOCK MOVEMENTS OF THE WEEK

Week Ending July 3

Banks—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	197	—	198	197	197	[illegible]
Dominion	12	192	190	193	192	192	[illegible]
Hamilton	12	166	—	165	165	165	[illegible]
Hochelaga	10	—	150	151	150	151	[illegible]
Imperial	12	187	185	186	185	186	[illegible]
Molsons	12	—	170	172	170	172	[illegible]
Montreal	12	238	235	246	238	238	[illegible]
Nationale	6	99	—	99	99	99	[illegible]
Nova Scotia	16	—	260	260	260	260	[illegible]
Royal	12	—	221	221	221	221	[illegible]
Standard	14	207	205	207	206	206	[illegible]
Union	10	—	112½	113	111	113	[illegible]
Industrials, Utilities, etc.—							
Abitibi Power & Pulp, com.	4	60	59	62¼	59	59	[illegible]
American Salesbook, com.	1	38	35½	37	37	37	[illegible]
Do., pref.	7	91	89½	89½	89	89½	[illegible]
Asbestos Corporation, com.	6	53¾	53½	55	53⅝	54	411
Do., pref.	7	77	75¾	77	77	77	[illegible]
Atlantic Sugar, com.	—	17	16	18	16	16½	[illegible]
Brazilian Traction	4	20½	19	20	19⅞	20	[illegible]
Bell Telephone	8	120¾	120¼	121	120	120½	[illegible]
Bird & Son, pref.	7	—	90½	90⅝	90⅝	90⅝	[illegible]
B.C. Fishing	—	14	—	15	14	15	[illegible]
Brazilian Traction, com.	4	46½	46	48⅜	46	46	[illegible]
British Empire Steel, com.	—	—	7	7¼	6¾	7¼	[illegible]
Do., 1st pref.	7	66¼	65¼	66	65	65	[illegible]
Do., 2nd pref.	—	18¼	17½	21½	18	18	2705
Brompton Pulp	—	35½	35	37¾	35¼	35¼	2450
Canada Bread, pref.	7	94	92¼	93	93	93	[illegible]
Can. Car & Foundry, com.	—	29	27	28¾	27¾	27¾	[illegible]
Do., pref.	—	75	73	76½	74	74	[illegible]
Can. Cement, com.	6	79¼	78½	81¾	79	79½	[illegible]
Do., pref.	7	—	104	105	104	104¾	[illegible]
Can. Steamships, com.	—	15½	14	15	14	15	[illegible]
Do., pref.	—	—	—	46¼	45	45	[illegible]
Can. Converters	7	88	—	89	86	86	[illegible]
Can. Cottons, com.	8	111	110	111	110	110	[illegible]
Do., pref.	6	90½	90	90½	90½	90½	[illegible]
Can. Gen. Electric, com.	6	99	96	100	98	98	[illegible]
Do., pref.	7	—	107	107	107	107	[illegible]
Can. Locomotive, pref.	7	95¼	94¾	94¾	94¾	94¾	[illegible]
Can. Pacific Railway	10	148	146½	153	146½	146½	319
City Dairy, com.	10	142	140	142	141½	142	[illegible]
Do., pref.	7	104	102	103	102	102	[illegible]
Consumers' Gas.	10	160	159	162	159	159	[illegible]
Crow's Nest Coal	6	—	47	50	48	48	[illegible]
Cuban Can. Sugar, pref.	—	—	31	33	30	30	[illegible]
Detroit United Rly.	6	73½	73	73	72¼	72¼	[illegible]
Dominion Bridge	4	65½	65	65	65	65	[illegible]
Dominion Canners, com.	—	29	27	30	29	29	[illegible]
Do., pref.	7	85½	—	86⅞	86⅞	86⅞	[illegible]
Dominion Glass, com.	7	93	—	93¾	93	93	[illegible]
Do., pref.	7	—	102	101½	101½	101½	[illegible]
Dominion Steel Corp., pref.	6	77	75½	75½	75	75	[illegible]
Dom. Textile, com.	4	69	68¾	69	66	66	[illegible]
Do., pref.	7	—	108¼	110¼	110¼	110¼	[illegible]
Duluth Sup. Tr.	—	40¾	40½	42⅞	40¼	40½	[illegible]
Goodyear Tire, pref.	7	90	89	90	89½	89½	[illegible]
Illinois Traction, com.	—	—	49¾	50	49½	50	[illegible]
Do., pref.	6	88	—	88	87	87	[illegible]
Intercolonial Coal, com.	8	—	75	75	75	75	[illegible]
Lake of Woods Milling, com.	12	171½	171	175	171	173	[illegible]
Laurentide Paper	6	92¼	91¾	93½	89¾	90½	[illegible]
Lyall Cons.	—	26	—	24⅛	19	20	[illegible]
Macdonald, A.	—	—	5	5	5	5	[illegible]
Mackay, com.	7	106½	105	108	105	105	[illegible]
Do., pref.	4	68	67	69	68	68	[illegible]
Maple Leaf Milling, com.	8	98	93	95⅛	93	93	210
Do., pref.	7	98	96	99	96⅞	96⅞	[illegible]
Montreal Light, Heat, Cons.	6	121½	119½	120½	118	118	871
Montreal Tramways	10	150	—	150	150	150	[illegible]
National Breweries, com.	4	47⅞	47¾	48½	47½	47¾	770
Do., pref.	7	94	—	93½	93½	93½	[illegible]
Ogilvie Flour, com.	—	283	277	282	281	281	[illegible]
Ontario Steel Products, com.	—	—	41	43	40¾	41⅛	[illegible]
Ottawa Light, Heat & Power	6	86½	—	83½	83½	83½	[illegible]
Pacific Burt, pref.	7	106	105½	105⅞	105½	105½	[illegible]
Penmans, com.	8	150	140	145	143	143	[illegible]
Do., pref.	6	—	98½	98½	98½	98½	[illegible]
Port Hope Sanitary, com.	—	56	—	55⅞	55⅞	55⅞	[illegible]
Do., pref.	7	—	85	86¼	85	86¼	[illegible]
Price Bros., com.	2	43⅞	43¾	44	43¼	43½	[illegible]
Provincial Paper, pref.	7	97	—	96	96	96	10
Quebec Railway	—	22½	21½	22¾	21⅞	22	1095
Riordon Pulp, com.	—	3	2	2	2	2	120
Rogers, Wm., pref.	7	—	90	91	91	91	[illegible]
Russell Motor, pref.	7	—	50	52	52	52	[illegible]
Shawinigan Water & Power	7	117	116⅞	118	116	116	411
Sherwin-Williams, pref.	7	101	—	100½	100	100	[illegible]
Spanish River Pulp, com.	7	89	87	92	87	87	1415
Do., pref.	7	99	96	101½	94½	94¾	[illegible]
Smith, Howard, Paper, com.	6	78	73½	75	73	73	271
Do., pref.	8	103	101	103	101½	101½	[illegible]
Steel of Canada, com.	7	70½	69¾	72	69¾	70	1253
Do., pref.	7	103	102	103½	102	103¼	291
St. Lawrence Flour, com.	6	55	54	54	53½	53½	[illegible]
Do., pref.	7	91	—	100	100	100	[illegible]
St. Maurice Paper	6	103	100	100	98½	98½	[illegible]
Toronto Railway	—	78	76	79	77¼	77¼	201
Tuckett Tobacco, com	4	54	—	52¼	51	51	[illegible]
Do., pref.	7	—	94	94	94	94	[illegible]
Twin City, com.	—	68½	68⅛	73	68	68	880
Wabasso Cotton	4	78	76½	76½	76½	76½	[illegible]
Wayagamack	—	50	49	50	48	48	[illegible]
Winnipeg Electric, com.	—	34½	33	34½	33½	33¾	[illegible]
Do., pref.	7	85½	85	86¼	85	85½	[illegible]
Woods Manufacturing, com.	8	55	50	50	50	50	[illegible]
Canada Landed	10	79½	—	79	79	79	[illegible]
Can. Permanent	12	—	190	190	189¼	190	[illegible]
Ontario Loan & Deb.	10	—	80	82	82	82	[illegible]

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TO HANDLE TAR SANDS

The McMurray Asphalt and Oils, Ltd., are making good progress with their plant at Waterways, Northern Alberta. A carload of machinery was sent in early in the spring and other shipments of machinery are on the way. A railway siding is being built to the works. For the present this company will concentrate its efforts on the crude products of the bitumen in commercial quantities for street paving and road-making purposes.

Mining Stock Quotations

Week Ending July 3

	High	Low	Close	Sales
Apex	3¼	—	—	1000
Beaver	33¾	32½	33¾	6000
Atlas	6¾	6¼	6½	24500
Argonaut	95	90	92	10795
Baldwin G.	10	9⅞	10	8800
Buckingham	11	9	10	13500
Bidgood	15	11½	11½	35500
Castle Trethewey	25	23½	23½	9000
Chaput Hughes	8¼	7	7	8000
Coniagas	2.60	2.50	2.50	475
Con. Smelters	26	25¼	25½	648
Cons. West Dome	26¾	26	26	37500
Clifton	19	16	18	29000
Crown Reserve	60	57	58½	34460
Beatty	20	18½	18½	1600
Davidson Ex. Rights	6	5½	5½	5000
Dome Mines	37.00	35.25	35.25	1185
Dom. Kirkland	2½	—	—	10000
Gold Reef	2½	2¼	2½	8500
Goldale	60½	55½	60	18300
Hattie	38	29½	30	112400
Hollinger	12.40	11.65	11.75	8770
Hunton	10½	10⅛	10⅛	17000
Inspiration	10	9	9	2050
Keora	12	11	11	10000
Keeley	1.73	1.65	1.70	3400
Kirkland Lake	37½	37	37½	1000
La Rose	33	25	33	2825
Lake Shore	3.34	3.05	3.30	6750
Lorrain	18¾	17	17½	45500
Montreal—Ont.	56	53	53½	6000
McKinley-Dar.	16	15¼	15½	8000
McIntyre	18.00	16.90	17.05	10515
Mining Corp.	2.50	2.45	2.45	400
Moneta	20½	20	20	9000
Newray	43	41	41½	24700
Nipissing	5.75	5.20	5.20	2845
Ophir	2	—	—	7000
Peterson Lake	11¼	10¾	10¾	6500
Porcupine Crown	13½	10	13½	3550
Preston E. Dome	11¼	10	11	7500
Silver Leaf	1	—	—	500
Teck Hughes	1.42	1.33	1.39	47650
Timiskaming	38½	38	38	2878
Thompson Krist	4¼	—	—	3000
Trethewey	3⅛	—	—	600
Vickers	36	34	35	20500
Vipond Cons.	57	44½	54	25800
Wakenda	5	4⅝	4⅝	3500
Wasapika	6	5½	5¾	14500
West Tree	8½	7½	7½	21150
Wright-Hargreaves	3.10	3.05	3.10	200

BRAZILIAN PROFIT NEAR 6 PER CENT. ON COMMON STOCK

Growth of Company's Business Responsible For Increase

OUTLOOK BRIGHT

President Sees Improved Condition in Republic—Last Budget Was Nearly Balanced

Growth of business of Brazilian Traction, Light and Power Co. resulted in the past year's operations being carried on at a gross profit of 15.73% and an increase in net earnings of 30.91%. The increase was shown on both Brazilian and Canadian currency.

Revenue showed an increase from $4,410,057 to $7,422,896, a jump just under 70%. Investment and miscellaneous income showed an increase from $127,657 to $450,064 or making the revenue $7,872,961. During 1922 common shareholders received two dividends of one per cent. each. In 1921 there were no payments. Dividends and other charges reduced the amount available to a surplus of $4,120,457. The figures follow:

	1922	1921
Brazilian revenue	$ 7,422,897	$ 4,410,057
Interest on invest	450,064	127,657
Gross revenue ..	$ 7,872,961	$ 4,537,714
Adminis'tion exp.	720,993	1,000,033
Gen. amortizati'n	300,000	300,000
Net revenue ...	$ 6,851,968	$ 3,237,681
Pfd. dividends ..	600,000	600,000
Surplus	$ 4,120,457	$ 2,637,681

The percentage earned on the common stock after taking care of preferred was 5.90% as against 2.49 in 1921.

The average value of Brazilian milreis in 1922 was 13.09 cents as compared with 12.51 in 1922. Surplus account when added to the amount forward from 1921 left a balance of $9,840,270 and the report shows $3,000,000 has been transferred to reserve.

The report also shows that $2,573,287 was spent on capital requirements and $3,452,062 set aside for depreciation. Floating assets show a higher value by $3,000,000, while floating liabilities are up $300,000. The total of the former is $15,797,139 and the latter $5,707,349. Cash on hand amounts to $1,917,190, reserves for depreciation and amortization amount to $27,580,229, which, with general reserves of $24,901,567, and profit and loss balance of $6,985,682, brings the total to $59,467,478. Assets are valued at $250,685,074.

Pres. Mackenzie in his report said the commercial position of the Brazil was much better than would appear from the low rate of exchange. He spoke hopefully of the outlook in the republic. He laid the shrinkage in exchange at the door of the large issue of paper made during the past 10 years to meet budget deficits. He adds:

The present Government has inaugurated a program of rigid economy and suspension of all works not absolutely essential. Moreover, the budget for the present year, is more nearly balanced than any that have been voted for many years. The president notes a large reduction in imports both in volume and in value, and there was a favorable trade balance for the year 1922, of approximately £20,000,000. The statistical position of Brazil's chief products, coffee, cutton, sugar and tobacco, is good, and rubber prices are again remunerative. Local industries which have been stimulated by low exchange and the consequent reduction in imports are generally prospering. This applies especially to the cotton mills, many of which are without stocks, and are working overtime to fill orders.

Dealing specifically with the company's progress, the president of Brazilian points to an important change in the Rio de Janeiro phone franchise, which has been extended from 1930 to 1990. He adds: :

Until 1950 the company will have exclusive right to exploit the service of telephones in the Federal District. Furthermore, on the payment annually of 360 cantos, the company is excluded from all municipal taxes. Under the former concession the company was subject to the payment of 10 per cent. of its net profits. A somewhat similar time agreement was arranged for operations in the State of Rio de Janeiro. About three miles track extensions were made in the Rio railway department while considerable growth was shown in the light and power departments. The number of telephones in operation increased from 67,862 in 1921 to 71,517 in 1922. A four-mile increase was shown in tracks in the Sao Paulo department, while large growth was shown in the light and power departments.

Would Collect 10 p.c. on Overdue Accounts

A systematized plan of granting credit on a cash basis and charging interest was advocated for provincial adoption before the Retail Merchants of Saskatchewan by James H. Hamblin, Qu'Appelle. The next step would be to teach the consumer to buy for cash with the idea in view of an ultimate cash basis.

Mr. Hamblin contends that because of prevailing conditions in the West it is necessary to do a credit business because the people have not cash available at all seasons for purchases. The retailer should first ascertain if the customer is safe for the credit he is demanding and then make it thoroughly clear that goods will be sold at the lowest cash price but at the end of thirty days when the account is rendered, if not paid, ten per cent. per annum interest will be added thereto. The merchants should make sure to charge the interest and never under any circumstances cancel it.

HARDLY "BEYOND" SUSPICION

They are telling the story about a well known business man who attended the annual meeting of a Canadian bank not long ago and moved a vote of thanks to the president. He sought around for suitable classical references to adorn his remarks and remembered the traditional description of Caesar's wife who was "beyond suspicion." Certainly the bank, with evidence of public confidence in it, was also beyond suspicion and the mover of the vote of thanks decided to use the reference.

But somehow he got his thoughts somewhat confused or perhaps he had the Bible and Shakespeare mixed. He astounded the shareholders by addressing the president with lofty geniality: "Mr. President; you have made this bank like Potiphar's wife."

THREE PORCUPINE MINES GET POWER

Clifton, Dome Lake and Vipond Will Resume Operations at Once

Three Porcupine mines, Clifton, Consolidated West Dome Lake and Vipond may receive a supply of power from the Northern Canada Power this week. This will mean that operations will be speeded up on the old scale.

By Friday or Saturday it is expected that the Sturgeon Falls development will be delivering power to Porcupine. Homer L. Gibson, of Clifton, states that he has been assured that, as soon as power was on, his company would receive it.

"We will start the mill immediately," stated Mr. Gibson, adding that there is a sufficient tonnage of broken ore available to keep it going some time.

Consolidated West Dome Lake has evidently been assured of power also as they started some time ago dewatering the underground workings.

Since June 1, Vipond has been operating by steam. The power company at that time cut off the supply of power. It is understood that Vipond will get power from the new development.

THE FIRST SKIRMISH FAILED TO SHED GLORY ON ROBERT

(Continued from Page 1)

company from the group that has brought about the present situation by forcing the meeting was not strong this week. In fact it was so unsatisfactory that many in opposition to President Robert voted for him on the temporary matters up at this meeting.

Hide Behind Technicalities

Advantage was taken by the Robert group of every technicality that would aid them. Shareholders who had not been given the opportunity for years of seeing their articles of association were denied the right of admittance to the meeting because they had not been registered for ninety days prior to the meeting; powers of attorney for individuals representing corporations were in some cases refused recognition. The press was barred despite protests of T. Kelly Dickenson, Montreal stockbroker, who indicated that other companies admitted newspapermen.

Mr. Robert's statement concerning the assets of the company gave some interesting information. The chief holding was of Montreal Tramways stock. This company, the Canadian Light and Power Company, and the Quebec and New England Hydro-Electric subsidiaries, were described. It was explained that the Montreal Hydro-Electric Corporation, shown in the balance sheet. was a company holding an undeveloped water power right. The Montreal Development and Land Company, of which half the stock is owned by Tram Power, owns speculative properties on the Island of Montreal. Said Mr. Robert:

The land on the Island of Montreal was purchased because the Montreal Tramways Company was called upon to do large development work in the city and suburbs, and it was felt that your company should benefit from the increased value of the land arising from the extensions of the lines of the Montreal Tramways Company.

Appoint Investigators

The president suggested a committee of five to consider the company's affairs and the opposition in turn suggested names different to those suggested by the president. The battle over the proxies followed on this motion. After rejecting some 10,000 votes as irregular, the Robert group seemed to have a majority of about 5,000 votes and the first meeting was postponed to enable a check of the proxies to be made.

Chief among the critics of Mr. Robert, present, was T. K. Dickenson. He presented an analysis of the financial statement that showed a book value of only $2.09 a share for the stock as against an apparent book value of $89 a share that an examination of the balance sheet showed. He considered that there was no equity behind Canadian Light and Power stock and Montreal Hydro-Electric. and objected to potential values being included in the statement.

It was incongruous. thought Mr. Dickinson. to state that there was an equity of $89.90 a share behind Tram Power stock when the company's earning power is only one half of one per cent. on the common stock.

Why no Meetings?

In answering another shareholder President Robert stated that there had been no annual statements of the company for nine years because the company had, from its very inception, the opposition of a practical monopoly, and there had been delay in getting their plans through owing to the opposition of a certain group in the province. When he had gone to England originally to finance the Canadian Light and Power Company, and had returned with a sound agreement from a large investment house, he had later received a letter withdrawing the underwriting as the opposition had forced this move.

In announcing the annual meeting for December 20, next, the president said:

"The directors at a recent meeting have appointed the 20th December next as the date for the annual ordinary meeting of the company at which the accounts for the year ending the 30th November, 1923, will be considered and the election of a new board of directors made. Your directors do not think it right or advisable for this meeting to proceed with the election of directors even were it competnt for this meeting to elect a new board, since under the articles of association no nomination other than the members of the old board could be considered."

The really interesting struggle in the Montreal Tramways and Power Company is still ahead, it would seem. The examination of the company's affairs by a committee of shareholders should provide the truth to guide the shareholders when they next meet to elect directors.

Book Paper Prices May Go Up, It Is Stated

From Our Own Correspondent

MONTREAL.—Advances in book papers are foreshadowed, it is thought, by the action of some of the mills in withdrawing price lists. For some time past, it is stated, there has been little or no profit in this class of business owing to the high cost of production. Meanwhile the mills say that some orders are desirable and others undesirable and having regard to this prices will be regulated by the mills according to the value of the order. Some of the Ontario companies have increased the price on coated board by 20 per cent., including lines that are used largely for street car advertising, etc. If the withdrawal of price lists in other lines foreshadows an increase, bond paper, ledgers, writings, etc., will be effected.

The demand for newsprint is still very strong and mills continuing to run at capacity. Advertising is running at the highest level known and publishers in the United States are using print paper at a rate probably never before maintained over such a long period as thus far this year.

CANADIAN PACIFIC

The Canadian Pacific Railway reports gross earnings for the week ending June 30, amounting to $4,682,000 or an increase of $548,000 over the corresponding period in 1922.

No. 3726

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Established LIMITED **1821**

Extracts from the report of the directors presented at the annual meeting of the company on May 30, 1923.

FIRE DEPARTMENT

The Fire Premiums, after deducting re-insurances, amounted to £964,199 10s. 11d., as against £1,013,734 0s. 7d. in 1921, and the Net Losses to £521,331 8s. 7d. (54.07 per cent. of the premiums), as against £550,109 18s. 2d. in 1921.

The Expenses of Management, including Fire Brigade Charges and Commission, together amounted to £413,592 10s. 9d., being 42.89 per cent. of the premiums.

FIRE INSURANCE REVENUE ACCOUNT

For the Year ending 31st December, 1922.

				£	s.	d.
Amount of Fire Insurance Fund at the beginning of the Year, viz.:—						
Reserve for unexpired Risks	£507,000	0	0			
General Reserve Fund	619,450	13	0			
				1,126,450	13	0
Investment Reserve Fund at the beginning of the Year				103,000	0	0
Premiums				964,199	10	11
Interest, dividends and rents (less Income Tax)				48,006	9	11
Interest on Ex-Enemy Debts				16,712	2	6
				£2,258,368	16	4

				£	s.	d.
Claims under Policies paid and outstanding				521,331	8	7
Commission				157,696	5	3
Expenses of Management				248,786	10	5
Contributions to Fire Brigades				7,109	15	1
Bad Debts				19,341	4	11
Loss in Exchange				8,396	16	10
Transfer to Profit and Loss Account				50,206	15	3
Investment Reserve Fund at the end of the Year				103,000	0	0
Amount of Fire Insurance Fund at the end of the Year, viz.:—						
Reserve for unexpired Risks	£482,500	0	0			
General Reserve Fund	660,000	0	0			
				1,142,500	0	0
				£2,258,368	16	4

Capital Paid Up	£1,012,965
Life Assurance Fund	4,785,310
Fire Insurance Fund	1,142,500
Accident, Burglary and General Assurance Fund	354,500
Marine Insurance Fund	314,006
Redemption Assurance Fund	108,856
Staff Pensions Fund	54,162
Officers' Fidelity Guarantee Fund	5,554
Investment Reserve Fund	420,100
Profit and Loss Account	167,758
Shareholders' Life Profit Account	8,270
Total	£8,373,984

Head Office for Canada
GUARDIAN BUILDING, Montreal
B. E. HARDS, Assistant Manager. H. M. LAMBERT, Manager.

Oscar Hudson & Company
Trustee Department
Frederick M. Moffat
Manager
Assignments, Liquidations, Collections, etc.
32 Church St. Toronto

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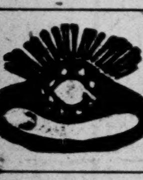

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FIND ON COLONIAL RAISES QUESTION OF SECOND COBALT

Lower Sill May Produce Silver Like Upper One

SEEKING IRON ORE

Chicago Interests May Spend Large Sum Testing Out Body of Ore in Algoma

The recent discovery on the Colonial property of the Continental Mines of Cobalt is evidently important according to Dr. W. G. Miller, director of the Ontario Geological branch. He added that he had reached his conclusions from the reports of the recent strike. None of his men have so far visited the property to view the find.

Briefly, mining in Cobalt has shown that the best success was to be achieved near the sill under the conglomerate or country rock. The Colonial proceeded deeper and has proven that the contact of the next sill, the keewatin diabase, values are also to be had.

What does this mean for Cobalt? Is the question to be asked.

It may mean that only half of Cobalt's storehouse of silver has been mined. All the mining so far has been on the upper contact. The Colonial went through the second sill into the footwall and that is where it is gettings its excellent values.

All eyes will now turn to the Beaver where the Coniagas is operating. Dr. Miller says that the Beaver went through to the lower sill but did not carry on a sufficiently extensive exploration. He expects that the Coniagas will test out the area thoroughly.

If this theory works out it will prove of decided interest. The O'Brien got good values from the lower contact where the upper sill was exposed on surface. The same sill was exposed on surface on the old Wetlauffer in Lorraine. Cobalt may produce much more silver from the lower contact. However costs will likely be higher as a great deal of new exploration will be necessary.

Iron Ore Exploration

Chicago interests, which have been conducting exploration work on some iron claims in Algoma, considerable distance north of the Sault, are now inspecting the property. They state that they will spend $200,000 in proving up the ore deposits with the idea of going ahead with extensive developments if that is warranted. Many have contended that if some of those ore bodies were sufficiently explored, it would be undoubtedly proven that these deposits contain high-grade iron ore. To date Canada has been importing about ten million dollars' worth of iron ore from the United States yearly. The contention has been, and experiments conducted so far have proven, that only low-grade iron ore exists in the Lake Superior and Algoma areas.

The station is being cut at the eight hundred foot level of the lake shore, and will be followed by the running of a cross-cut to intersect vein number two. Great preparations are being made to start the extensions to the mill, which will make a very material output in the monthly output of the mine. May production at Lake Shore was $53,649 from 1,880 tons or $28.53 a ton. This is a new high, the old record being made in June, 1921, $52,539.

Though denied, it is believed that there are plans for a Porcupine merger involving the Pearl Lake, Plenaurum and Armstrong-Book groups. There are 600 acres involved.

Kirkland Lake Mining interests are watching with interest the shaft sinking operations in the Queen LaBelle by A. G. Miles, acting for John Taylor & Sons, of London. It has been contended by some mining men that the main break of the samp tends to the south by east from the Burnside property of the Kirkland proprietary while others contend that vein splits in the Sylvanite, and one shoot goes off north by east while the other goes off south east. Operations on the Queen LaBelle and the Continental property will prove up which of these theories is correct. It may be both are.

Wright-Hargreaves shaft has reached the 1,000 ft. level and lateral work will now proceed. Plans for the new mill addition are being gone on with.

The report that diamond drilling on the 12th level of the Dome has opened up a body of $12 ore, is of interest because it marks the opening up of a formation similar to that of the other Porcupine producers. Manager DePencier told the annual meeting that heretofore Dome got its ore from an entirely different formation.

Vipond cut No. 10 vein on the 5th level. It is expected in the north that Vipond will get power when the new Sturgeon development comes in.

Mining conditions in the vicinity of Sandon, B.C., are showing considerable progress; ore is being shipped, and it is thought that several new properties will be opened towards the end of this month.

Inspecting N. S. Mine

The gold mine formerly operated near Carleton, Yarmouth County, N. S., is being inspected and samples of gold and lead have been sent to Perth Amboy, N. J., for analyzing and determining their actual value.

The government in Nova Scotia is taking its share in the broadening campaign for tourists. The Provincial Tourists' Association has been formed with John F. O'Connell as chairman.

Two Unique Finds in North's Mining Areas

Recently two unique finds have been made in the Northern mining country. The Woods vein of the Mining Corporation's Frontier property produced a chunk of ore (72 pounds) so rich in silver that it could not be crushed by the ordinary crushing machinery says the Northern Miner. It is about three quarters silver.

Another has been a float found near Osicko Lake in Rouyn Tp., Quebec. It shows a gold content around $300 to the ton. At the Parliament buildings, Toronto, there is a float, 1,640 pounds, that was found years ago on the Gem claim, Giroux Lake, Cobalt. It contains 9,715 ounces of silver and it was estimated that this float had been carried 3,000 feet by the glacial movement before it was deposited.

MINERS WORK UNDER CITY OF EDMONTON

Situation is Different From That of Cobalt—Latter is Rock, Not Prairie Sands

The experience of sitting in your home and hearing the miners' drills working underneath you, or to have a shot fired underneath you, destroying practically all the electric light bulbs in your home or office, is not a new experience in mining camps. Cobalters experience this frequently. Sometimes the residents of the town have to replace their electric light bulbs two and three times a week. But when miners come to undermine the beautiful paved streets and work their way under a city like Edmonton, Alberta, it is a different thing.

This is actually taking place in the City of Edmonton, and the city council is not a little perturbed about the matter. Some of the streets have been undermined, and in some places injury to the streets has been fairly extensive. Pavements have been cracked and damage has also resulted to water pipes, etc. The bank of the river in the vicinity of the city's sewage disposal plant is in danger, and there is grave danger of possible landslides. Operations of the Penn Coal Company are said to be responsible.

The city is out to bring pressure on the Federal Government to stop this mining. It is facing a possible rebuff, however, in that it is likely that the leases which are being operated were secured by Indian script, filed before 1885. This gives the homestead ownership without any reservation of mineral rights.

It is an interesting situation. There is also this very wide difference between the situation at Cobalt and the possible situation which may arise at Edmonton. While there may be some at Cobalt who are nervous, the majority have a feeling of security, inasmuch as they know that there are a few hundred feet, at least, of rock intervening between their homes and the drift or crosscut in which the miners are working underneath. This is vastly different from having only fifty or a hundred or any number of hundred feet of prairie sand between the city and the coal seam which the miners are opening up.

PETE LAKE'S OUTLOOK NOW MUCH BRIGHTER

Success of Operations of Mining Corp. May Redeem This Old Concern

The outlook for Peterson Lake shareholders appeared brighter to-day than it has for some considerable time past. The real hope of the shareholders is in the operations of the Mining Corporation which recently opened up an excellent vein on the property and which is said to give values running up to 1,000 ounces.

The Peterson Lake, like some other concerns that have had a mining chance and fallen down, was for a time looked upon more as a stock selling than as a mining venture. Ultimately, the treasury was exhausted long before the company had explored any great portion of its holdings. Then it went into the lease business and from time to time the properties have been worked under lease. At the present time the company has some 100 acres of mining lands unexplored. This is now held under a conditional five year lease by the Mining Corporation and good progress is being made with the development. The agreement calls for the mining corporation to pay all mining and milling costs and the Peterson Lake shares the concentration costs and 15 per cent. of the profits. In regard the tailings on Peterson Lake which the company has decided not to treat for the time being, it being stated that it was not a commercial success to do so, the tailings would show a profit, under proper conditions. However, they must be treated under an agreement with the Dominion Reduction Co., which owns one-third of the tailings and with silver at its present price the margin of profit is so small that operations have been halted. Peterson Lake put up two thirds of the money to erect the mill for treating the tailings and the Dominion Reduction the other third. The latter company charges the Peterson Lake Company for the costs of power, labor, etc., and then the profits are divided on the basis of ownership.

While it is premature to venture a prediction as to Prince Edward Island's probable 1923 production of silver black foxes on the Island, it is estimated that the crop of young foxes will come close to the average of previous years, despite the unfavorable winter. While some ranches report losses, others report unusual successes.

B.C. PRODUCTION WAS REDUCED BY VALUE DECLINE

Orchard Crops Were Good But Prices Were Very Bad

From Our Own Correspondent

VICTORIA.—Agricultural production in British Columbia last year was valued at $4,420,023 less than in 1921, according to figures just made public by the Department of Agriculture. This is a decline of 7.39 per cent.

The actual totals showing the value of agricultural output are: Last year, $55,322,971; 1921, $59,742,994.

Last year was one of low prices for farm produce generally, and that fact is given as the main reason for the drop in values. The chief losses were in grain and fodder crops. In poultry, dairy, vegetables and honey output the province registered notable gains.

That the province is becoming more self-sustained as regards supply of agricultural produce is shown by the fact that imports from other provinces last year totalled $12,970,000. as compared with $15,329,497 in 1921. Imports from foreign countries decreased from $5,640,943 to $4,173,321. The total decrease in value of imports, therefore, is $3,827,100, or 18.24 per cent.

British Columbia orchard crops were exceptionally good, but the financial returns were just as exceptionally bad. The total yield of fruit crops amounted to nearly 177,000,000 pounds, as against about 173,000,000 pounds the previous year. The increased yield was 1.92 per cent., even though the 1921 crop was unusually favorable. The value of the crop, however, was less than $5,000,000. This is nearly 25 per cent. less than in 1921. Eighty-eight cents was the average value to the producer of a box of apples last year. It was $1.26 in 1921.

Lack of rain at the periods when it was most needed resulted in a disappointing production of small fruit, despite the increased acreage brought under cultivation.

The total vegetable crop amounted to 244,884 tons, or 23.93 per cent. greater than in 1921.

Dairy cattle increased in numbers 3,552, and there are now estimated to be over 105,000 head of dairy cattle in the province. The numbers of poultry increased 32.05 per cent., and egg production advanced 35 per cent., although prices were lower.

Dairy production broke all records, being valued at $8,001,135, as compared with $6,596,208 in 1921, representing an increased value of $1,404,927.

IS NOW CONVINCED BEARS HAVE CONTROL

Babson Advised Against Selling When Market Was Near Top

Who can, with any degree of accuracy, predict the trend of the stock market?

This is a question that has arose on many occasions. One U. S. agency has essayed something along this line, and a rather interesting outline of the attitude of this service in the light of the recent market decline is to be taken as an indication that the market baffles them all. Babson has steadily attacked the recent "Bear Movement" in New York in the face of declining prices. Now that stocks are down materially, 13 points on 20 Industrials, says the Boston News Bureau, he has changed his tone.

Babson's latest advice to his clients reads:

"We now advise clients who are unwilling to carry their stocks through a possible year of lower prices to sell immediately on every rally."

Babson continues—"Events of the past two weeks have shaken our faith—business is at a crucial point. Such events as the failure of Knauth, Nachod & Kuhne and Zimmerman & Forshay are not to be turned aside as unimportant.

"Increased commodity prices and the inefficiency of labor are rapidly checking the nation's purchasing power. We are especially disturbed by the great number of new securities being issued—the entire world is too hungry for money."

The Boston News Bureau says: Recent stock market developments make of interest the following parallel:

Babson's Advice

	Average 20 Industrial Stocks
March 6.—Hold issues bought on our recommendation notwithstanding they already show a handsome profit	$104.79
March 26—Not yet time to sell. The man who holds a good list of stocks should let his profits run.	102.36
April 9.—Those who hold stocks should not be frightened out at this stage.	102.11
April 23.—Fundamental statistics point to a continued upward trend.	100.73
May 1.—Sooner or later the shorts will be caught. The way to handle these bears is to let them talk bearish all they want to. The strongest men are holding stocks.	97.40
May 7.—Underlying trend is still definitely upward.	95.41
May 15.—Will those who have recently sold the stock market short be able to get stocks to deliver?	95.95
May 21.—We cannot too strongly advise clients to hold all stocks. Present pessimism is a bullish and not a bearish factor. Above all, don't sell short.	92.77
June 4.—There is no logical basis for being bearish.	96.14
June 18.—While surface conditions are causing uncertainty and bearish predictions there is really no basis for such an attitude.	92.64
June 26.—We now advise clients who are unwilling to carry their stocks through a possible year of lower prices to sell immediately on every rally	91.48

An Unequalled Record

The record of profits paid to Great-West Life policyholders is unequalled—this because of the company's splendid investments, favorable mortality rates, and low expense rates.

Write for copies of "Actual Results."

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Property Values Definitely Established to Meet All Insurance and Accounting Requirements
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Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

Do Not Risk Your Money
in doubtful stock promotions which "high-power salesmen" are continually foisting upon the public. Make the
SAFETY OF YOUR CAPITAL
the first consideration. You can achieve this and obtain
FIVE AND ONE-HALF PER CENT.
interest, payable half-yearly, by investing in the Bonds of the Canada Permanent Mortgage Corporation, one of Canada's oldest and strongest financial institutions. It was founded in 1855, more than twelve years before Confederation, and from small beginnings has grown till it now has
Paid-up Capital $7,000,000.00
Reserve Fund and Accumulated Profits 7,334,155.90
Assets 41,365,606.36
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STOCKS AND BONDS
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Labor-Saving Machines Result of High Wages

High wages in the industries are stimulating the installation of labor-saving machinery, and high prices for coal are stimulating hydro-electric development on a large scale. The companies manufacturing such machinery have a large back-log of orders. The Electrical World announced last January that construction plans for 1923 in the United States would require the expenditure of $125,000,000 for transmission lines alone. This same authority estimates that the needs for transmission line construction in this country over the next five years will amount to over $900,000,000. This does not include generating machinery or other equipment. Much of this work is under way and there will be no sudden suspension of it. Another authority reports $600,000,000 worth of electrical construction under contract.

Summary of Canadian Trade

Imports and Exports by Main Groups

Main Groups	Twelve Months Ended May— 1921	1922	1923
	$	$	$
Imports for Consumption—			
Agricultural and Vegetable Products	252,448,550	159,216,459	168,99[illegible]
Animal Products	54,287,378	45,859,541	47,49[illegible]
Fibres and Textiles	208,258,457	144,254,754	174,914,[illegible]
Wood and Paper	55,635,795	35,514,919	37,290,[illegible]
Iron and Its Products	228,568,676	109,322,842	149,125,[illegible]
Non-Ferrous Metals	51,236,481	29,762,686	40,126,[illegible]
Non-Metallic Minerals	207,987,355	129,998,793	150,617,[illegible]
Chemical Products	35,609,858	24,558,607	26,419,41[illegible]
Miscellaneous	68,327,812	49,319,645	46,110,7[illegible]
Total Imports	1,162,360,362	727,808,246	841,094,[illegible]
Dutiable Goods	802,382,842	478,413,427	559,248,[illegible]
Free Goods	359,977,520	249,394,819	281,846,[illegible]
Duty Collected	162,706,289	122,058,633	135,739,[illegible]
Exports (Canadian)—			
Agricultural and Vegetable Products	491,169,806	317,221,328	405,283,[illegible]
Animal Products	182,898,283	131,924,613	137,692,5[illegible]
Fibres and Textiles	15,031,012	4,154,330	8,569,2[illegible]
Wood and Paper	273,097,327	182,562,542	241,438,9[illegible]
Iron and Its Products	70,043,386	28,602,226	55,910,49[illegible]
Non-Ferrous Metals	42,457,037	28,511,677	50,641,6[illegible]
Non-Metallic Minerals	37,827,294	21,899,275	29,872,7[illegible]
Chemical Products	18,492,216	9,394,316	14,769,8[illegible]
Miscellaneous	30,281,997	14,200,423	14,665,1[illegible]
Total Exports (Canadian)	1,161,298,358	738,470,730	958,844,5[illegible]
Foreign Exports	17,650,598	13,757,365	13,717,[illegible]
Total Exports	1,178,948,956	752,228,095	972,562,41[illegible]

HOTEL CHANGE IS FAVORED BY SHAREHOLDERS

Plenty of Proxies for the Proposal Say Supporters

COUNTER PROPOSITION

Circular Suggests That Second Mortgage Bonds be Given for Preferred Stock of Construction Company

Although an amended proposal was made to the shareholders of the King Edward Construction Company by "The Protective Committee" following the meeting of June 22nd. THE FINANCIAL POST is informed that the great bulk of the shares have been voted for the financial reorganization of the Construction Company in relation to the Hotel companies as outlined originally. The relations of the companies will thus be simplified and at the same time a saving of $60,000 in income taxes and other overhead charges will be effected. It has been explained to the shareholders that the King Edward Construction Co. preferred stock of $2,500,000 represented all of the equity in the King Edward Construction building and the stock was guaranteed by the United Hotels Company of America. The King Edward Construction Company common represented the equity in the lease to the Hotel Company, that is, the Construction Company common represented that portion of the rental not required for the preferred stock and other purposes.

Under the amalgamation, the Hotel Company buys the assets of the Construction Company and the proceeding will be first to consolidate the mortgages of the Hotel Company and the Construction Company buildings into one mortgage of not more than $3,500,000. Then the Hotel Company will issue $3,350,000 of debenture stock secured by mortgage. Series "A" of this debenture stock amounting to $2,500,000 will be guaranteed by the United Hotels Company and used to retire the Construction Company preferred stock. Series "B" $850,000 equally secured, will be unguaranteed and will be used to retire the common stock of the Construction Company.

A conservative valuation of the assets of the Hotel Company after the amalgamation would be about $8,300,000, and there will then be a first mortgage of not more than $3,500,000 leaving an equity of nearlv $5,000,000 to secure the debenture stock issue of $3,350,000. In a word then, the preferred stock in the Construction Company represented all of the equity in the property and the common stock represented the equity in the lease. These are being exchanged for debenture stock that has behind it an equity at least 50 per cent. greater than the amount of the debenture stock issue, and Series "A" of the debenture stock will be guaranteed as to interest by the United Hotels Company which is exactly the same guarantee that was extended by that company to the Construction Company preferred stock.

The circular embracing the amended proposal objected to the arrangement outlined on the ground that the series B stock is to rank "exactly the same as the series A, except for the interest guarantee." The circular continued:

This means that, in the event of this proposal being carried, $850,000 of Common stock which was given as a bonus, is to be raised in value to equality with the Preferred stock for which cash was paid. Consequently the value of the assets behind the preferred will be divided up with $850,000 of the common stock.

We think that such a proposal is entirely wrong, and if carried would materially reduce the value of our preferred shares, thus endangering our invested capital.

We will be in favor of an amended proposal to the effect that the 8 per cent. preferred stock of the King Edward Construction Company, Limited, be exchanged par for par for an 8 per cent. 30-year second mortgage bond guaranteed as to interest by the United Hotels Company of America; and that the $850,000 of common be exchanged for an 8 per cent. preferred stock.

B.C. FRUIT GROWERS DOUBT PROTECTION

Would Open Prairie Market if Access Could be Gained to Markets of States

From Our Own Correspondent

VICTORIA.—The wisdom of a high tariff wall for the protection of British Columbia fruit in the prairie markets is now being questioned here by those who hold the view that it would be far better policy for the fruit growers to agitate for the removal of all international tariff barriers on fruit so as to allow them to enter the profitable sales territory of the United States.

Farm and Home, the leading agricultural paper of British Columbia, states editorially in its current issue:

"When we analyze the situation it appears almost incredible that our fruit growers deliberately forego the greatest market in the world in order to get something like a monopoly in the puny prairie market of this Dominion—and fail even at that. Such a policy could only be equalled if the state of Washington should forego access to the City of New York in exchange for the privilege of endeavoring to foist a monopoly on the Dakotas. Insane, isn't it, when somebody else does it? We deliberately confine ourselves, to all intents and purposes, to the prairie market and then proceed to antagonize that market by asking for a tariff to help us control it. Not only is it unwise; it fails."

Whether an agitation such as has been advocated will ever materialize is difficult to say. The British Columbia government, in co-operation with the leading fruit organizations of the province, has established fairly extensive and smooth-working machinery to promote the sale of British Columbia fruit on the prairies and the efforts that have brought this arrangement about are not likely to be scrapped either by the government or by the growers who have learned to place so much dependence on the prairie market.

Archibald M. Pratt, general manager of the Associated Growers of British Columbia, which control over 80 per cent. of the total tree-fruit and vegetable output of British Columbia, points out that, while the prairie markets may be limited in population and financial resources, they are the "most vital" markets the province has, due to the competitive relationship of service in the fruit industry.

The Whalen Pulp and Paper Company plans to take out 20,000,000 feet of logs in the vicinity of Thurston Harbor, British Columbia. The T. A. Kelley Company is getting out 14,000,000 feet for the Powell River pulp mill and for export. These operators and other smaller ones are all on the Queen Charlotte Islands, but there are other loggers along the coast and on some of the Islands.

Making Investments to Avoid Income Tax Levy

A Nova Scotia subscriber to THE FINANCIAL POST writes as follows:

"In a few weeks I will have $6,000 or $7,000 to invest. My income tax is now fairly large. If I invest in bonds the tax will become much larger but if in good stocks the tax will remain as it is.

"Please advise what I had better do and if you can suggest what securities would be advisable under the circumstances.

"I am offered County of Lunenburg bonds to yield 5.20 and City of Halifax at the same figure, also Southern Canada Power preferred to yield 6.67 per cent."

This letter has been submitted to Canadian bond dealers as typical of the problems facing investors who are looking to THE FINANCIAL POST for guidance. Brief suggestions were asked as to what this investor should do and what securities would be attractive for him under the circumstances.

In their replies a number of the investment houses made the point that in order to advise to the best advantage further information should be available as to the investor's position and the securities now held. This is a point which investors seeking advice should keep in mind—the securities held are at all times important in relation to further investments.

A. E. AMES & COMPANY

In this case we will suppose that the inquirer already has substantial investments in government and municipal bonds. If he has not, we think that he should place his funds in these securities. We would heartily endorse the policy which the shrewdest investors follow when they must depend upon their income from investments later on; that is, they build up investments on a good solid foundation of the most unquestionable type of securities. When this has been accomplished, the investor can then go a little farther afield and pick well secured, first mortgage bonds of the most outstanding Canadian industries which will give him an income return of approximately 1 per cent. higher than the average of government or municipal securities.

The income from corporation bonds is, of course, subject to income tax. If the investor in mind desires to derive an income which is free from the tax because it has already been paid by the corporation he might well become interested in some of the best or investment type of preferred stocks choosing companies which have had a good record for a long term of years. Some of these may now be secured to yield from 6½% to 7½% or even somewhat better. If one picked preferred stocks of such companies as:

Ogilvie Flour Mills Co., Ltd.,
Lake of the Woods Milling Co., Ltd.,
International Milling Company,
Abitibi Power & Paper Co., Ltd.,
Pacific Burt Company, Ltd.,
City Dairy Company, Limited,
Belgo Canadian Paper Co., Ltd.

he could hardly be making any mistake.

WM. C. BRENT & COMPANY.

We recommend the following, and there are many others.

Northern Canada Power Co., Bonds, 15 year, 9½, at par.
Consumers Gas Co., Toronto, pays a statutory 10%, quoted at 160.
Canadian Municipal Machinery Corporation, 8%. Pref. at par.
Toronto Railway, in liquidation, quoted at 80, worth 100 or more.
Goodyear Tire Co., is catching up 7%. Pref. quoted at 90.
Canadian General Electric Co., Common pays 7%. quoted at par.
Put a thousand in some good gold mine. Goudreau at par is cheap.

C. H. BURGESS & COMPANY.

We would recommend the purchase of Province of Nova Scotia 5% bonds due 1st May, 1943, at par and interest. In making this recommendation, we assume that absolute safety of principal and income and ready marketability are more important than high interest return.

As to income tax, certain Canadian stocks would be exempt from the normal tax which would be applicable to the above bonds. This, however, is not a very serious matter, amounting at the most to only 8% of the income.

F. H. DEACON & COMPANY

This investor faces exactly the same problem as all who are subject to heavy income taxes. By buying stocks, he saves himself the normal tax but of course would still pay the super tax. It is impossible to go fully into the relative merits of bonds and stocks as each must be considered individually.

As your client apparently is a man of substantial means, he can well afford to put this additional money into the best grade of business men's investments such as preferred stocks which will give him an income of over 6½%. We would suggest the following:

Stock—	Rate	Yield
Southern Canada Power Preferred	6%	6.67%
Goodyear Tire of Canada Preferred	7%	7.78%
Bird & Son, Ltd., Preferred	7%	7.57%
Belgo Canadian Paper Preferred	7%	7.25%

An equal division among these four would diversify the safety of his principal and give him an excellent income as well as good marketability.

DYMENT, ANDERSON & COMPANY.

As your subscriber states that his income tax is now fairly large we would suggest the purchase of the longer term tax free Victory Bonds.

Should your subscriber be willing to do without the income from this investment for a period of years we would suggest Canadian Northern Railway 5% Income Charge Debenture Stock payable May 6th, 1930. This stock is available at about 54, at which price it gives a return of approximately 9% compound interest, and 12% simple interest. In addition to this return there is the possibility of additional interest at 5% per annum in the event of the railway earning it. This interest was paid in the years 1910 to 1914 inclusive. The return of 9% is made up entirely of the appreciation at maturity, and would therefore be free from income tax. As the Dominion of Canada is the owner of the road it is reasonable to expect that it will take care of the discharge of this mortgage at maturity.

EASTERN SECURITIES COMPANY

From the enquiry, we presume that your subscriber is a man of considerable means, as he states that his income tax is fairly large, consequently he could probably afford to invest in some good preferred stocks, the income from which would be exempt from the normal income tax. We feel justified in recommending as a sound investment:

$3,000, Southern Canada Power 6% preferred stock, at 90, yielding 6.67%.

There is every prospect that in a comparatively few years that this company will be in a position to pay 7% on the common stock, in which event the same rate will be paid on the preferred.

$3,000. Belgo Canadian Paper, 7% pref. stock. Price 96½ yielding about 7¼%.

This is an old well established corporation and there is a good equity back of this issue. If he should decide to hold to an investment in bonds, we would recommend,

Southern Canada Power 6% bonds .... At Par
Ogilvy Realty Corporation, 6½% bonds price 101 yielding about 6.45%.
N. S. Tramways & Power 7% bonds at par .... Yielding 7%

GREENSHIELDS & CO.

If we assume that the investor already has a substantial amount of Victory and municipal bonds, we feel justified in recommending that his new investment be selected from the public utility group and in this connection we would suggest a division of the funds in the following way:

$2,000 Jamaica Public Service 1st mortgage 6½'s .... at 100
2,500 Montreal Tramway 5% debentures ......at 80 (about)
20 shs. Bell Telephone capital stock .... at 121

The approximate cost of these securities would be $6,430, from which the return in interest and dividends would be $415, making a yield close to 6½% on the total investment. Dividends on the Bell Telephone will be free from the normal tax but of course not from surtaxes.

MATTHEWS & COMPANY

If the income tax is sufficiently heavy we would advise the purchase of tax free bonds, preferably the 1933 issue. Assuming that the investor already holds a fair proportion of these securities, we would advise the purchase of sound corporation securities yielding from 6% to 7% such as the following:

Northern Canada Power 6½%s. at 99.50, to yield 6.55%
Jamaica Public Service, 6½%s. at 100.000, to yield 6.50%
Belgo Canadian Paper, 6%s. at 99.00 to yield 6.10%
Woods Manufacturing, 6%. at 98.50, to yield 6.125%
Wayagamack Pulp & Paper Co., Ltd., 6%s. at 87.79, to yield 7.00%

In addition to the above a proportion of the funds available may be placed in selected stocks, thus voiding payment of additional normal tax:

Consumers' Gas, 10% capital stock at 161½, yields 6.20%
Bell Telephone, 8% capital stock at 120½, yields 6.65%
Maple Leaf, 7% preferred at 100, yields 7%
Canada Cement, 7% preferred at 103½, yields 6¾%
Canada Permanent Mortgage, 12% stock at 189, yields .. 6.35%

VERSAILLES-VIDRICAIRE-BOULAIS

Would suggest that he buys a good preferred stock like the Dupuis Freres which will bring him a return of 7½% on the money invested, in case he is not particularly anxious to see his income tax grow exaggeratedly.

Any of these investment houses would be pleased to supply additional information.

QUEBEC PROMISED A BLUE SKY LAW

Probably Result of Some of the Labrador Gold Area Swindles

From Our Own Correspondent

MONTREAL.—Quebec Province, with its traditional conservative population, has perhaps been less a hunting ground for unscrupulous stock promoters than some other parts of Canada. Nevertheless there have been many shyster schemes foisted on the public and when the associated boards of trade of the Eastern Townships met last week numerous examples of financial tragedies following in the wake of high pressure of stock selling plans were told. It came as something of a relief to the business men present to hear the Hon. Jacob Nicol, K. C., Provincial treasurer, announce that the next session of the provincial legislature would probably see blue sky legislation introduced. The Prime Minister and the provincial treasurer have been looking into the matter and have come to the conclusion that the selling of worthless securities should be stopped.

The action of the government has probably been brought to a head by the activities of various companies selling leases, stocks and other securities in connection with the Labrador placer gold area. The Premier, the Hon. L. A. Taschereau, undertook some time ago, to publicly warn the people of the province against rushing into wild cat schemes in Labrador. The opening up of the Rouyn gold field in northern Quebec is undoubtedly going to have the effect of starting many questionable promotions and the action of the province in introducing blue sky legislation at its next session should nip in the bud a great deal of this evil work.

Guardian Assurance Co. Assets Are Increased

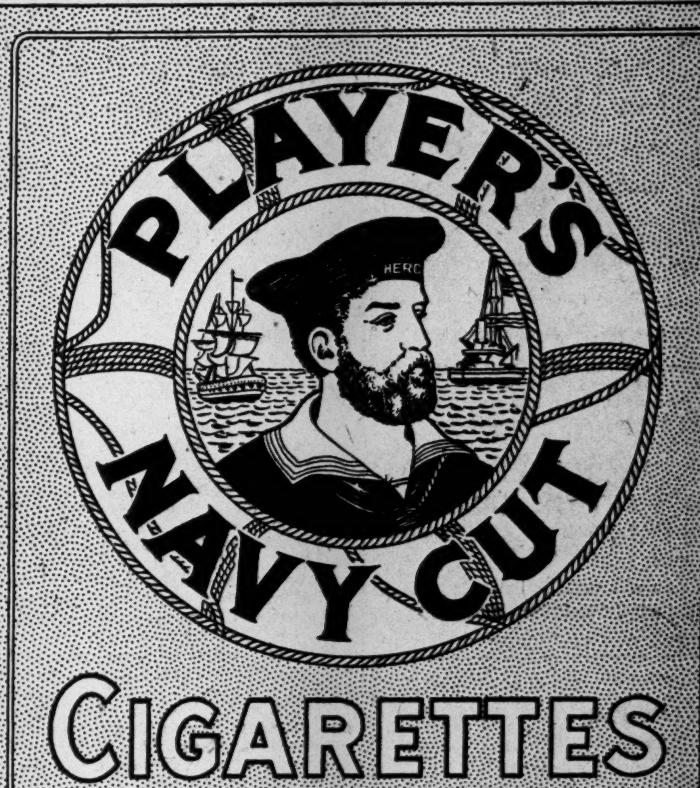
From Our Own Correspondent

MONTREAL.—From England is received a copy of the 1922 annual report of the Guardian Assurance Co. which indicates an increase in net assets and a slight improvement in fire loss ratio. This amounted to 54.07 per cent. of premiums as against 54.2 per cent. in 1921.

In the fire department, premiums were £964,199 and losses £521,331.

In the life department assurances in force totalled £14,737,400 at the end of the year.

Total net assets stood at $9,731,057, including large holdings of government securities.



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MONTREAL TORONTO WINNIPEG

Winnipeg Free Press
THIRD REPORT—1923 WESTERN CROP

The Wheat is Growing Green on The Prairies

The progress of the crop that is now in bloom over twenty million acres of western soil is vital to the West, of deep concern to Canada, of interest to the World. From the surplus of the crop that is yet in the blade, Canada may sell a third of the world's purchase demand.

Third Crop Report
June 26, 1923

It is just fourteen days since the issuance of the last crop report but owing to the heavy storms that have occurred during the last ten days, and brief period of extreme heat and wind that preceded the storms it was thought best to allay the general anxiety as to whether or not damage had been done by these unusual conditions.

Detailed reports from 280 points indicate that in the interval the crop has made rapid progress; abundant rains have fallen practically all over the three prairie provinces; that while hail storms have occurred at a number of points the accruing damage has been of the slightest and confined almost entirely to winter rye; that cutworms, wireworms and grasshoppers have all been held in check by the rains and that the damage from these pests will be very small indeed.

It would be difficult to think of anything more generally satisfactory than the comment on conditions contained in the individual reports.

The crop appears still a little late, though the extent to which it has developed since seeding is very gratifying.

The report of plenty of moisture is almost universal while a few points report "too much rain."

These points state water lying on low lands scalding wheat and in some cases have prevented the seeding of late barley and oats. These are very minor defects amid a general report of satisfactory conditions.

A careful reading of the reports can only produce satisfaction but they should be read with the thought in mind that there are more than two months to harvest and much can happen in that time to lessen the present abundant promise. On the other hand it should be remembered that the bountiful crop of 1915 was frozen down four times in the month of June that year and there was even a slight frost in July and August and yet the crop reaped was the largest up to that date, and the highest average yields that the west has seen so far.

The Free Press receive complaints of crop boosting, but a plain statement of facts as they exist at the date the report is issued is not boosting and the object of the reports is to keep the public advised of conditions as they exist at the date of the reports. If the crop declines in condition before next report that will receive the same publicity as the present hopeful conditions.

The FREE PRESS, of Winnipeg, in announcing herewith its third regular progress report on the condition of the western crop, again calls attention to the importance of these reports as **the chief and most reliable barometer of business in Canada.**

Between the crop report and the harvest is the time for the business man who markets his products in Western Canada to sow **his** Advertising seed.

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Montreal

The Embro branch of the Bank of Montreal was closed on June 30.

Union

T. H. Hammell, manager of the Picton branch of the Union Bank, has been transferred to Truro, N.S. M. J. M. Roberts of the Goderich branch will succeed Mr. Hammell at Picton.

Monthly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	June, 1923	Change	%
Montreal	$460,202,944+	$53,121,071	13.0
Toronto	409,550,970—	19,582,963	4.5
Ottawa	33,070,814—	3,047,286	8.4
Quebec	26,888,537+	1,782,439	7.1
Hamilton	25,277,120—	30,252	.1
London	14,921,704+	283,564	1.9
Halifax	13,616,546+	812,820	5.6
St. John	11,142,083—	1,213,958	9.8
Kitchener	4,711,149—	387,472	7.6
Brantford	4,441,297—	1,191,667	21.1
Moncton	4,312,466—	1,526,391	26.1
Sherbrooke	3,336,727—	414,125	11.0
Peterboro'	3,296,027+	173,971	5.5
Kingston	3,101,733+	109,380	3.6
Total East	$1,017,870,117+	$27,263,491	2.7

WESTERN CITIES

	June, 1923	Change	%
Winnipeg	$181,673,179+	$14,033,979	8.3
Vancouver	61,460,688+	1,283,675	2.1
Calgary	20,264,306—	2,961,913	12.7
Edmonton	17,548,994—	2,009,018	10.2
Regina	13,665,155+	45,041	.3
Victoria	8,649,660—	671,289	7.2
Saskatoon	6,168,685—	815,950	11.6
Moose Jaw	4,649,504—	72,536	1.5
Fort William	3,615,981+	507,169	16.3
N. Westminster	2,624,096—	88,554	3.2
Brandon	2,310,741—	184,340	7.3
Lethbridge	2,045,896—	203,303	9.0
Prince Albert	1,410,541—	81,652	5.4
Medicine Hat	1,256,482—	178,744	12.4
Total West	$327,343,408+	$12,602,565	4.0
Grand Total	$1,345,213,525+	$39,866,056	3.0

MONEY, BANKING AND EXCHANGE

GOLD PROBLEM AS IT AFFECTS UNITED STATES

Goodenough and Hoover Discuss Interesting Situation

There have recently been a number of noteworthy contributions to discussion of the accumulation of gold in the United States. One of these was uttered by Secretary Hoover in an address at a meeting of the United States Chamber of Commerce in May in which he said:

"A development bearing on our credit situation is the large accumulation of gold resulting from our post-war trade balances. Our gold reserve has increased by a billion dollars since the period of maximum credit expansion of 1920—when it stood at about two billion. At that time we possessed a reserve of about 50 per cent. against credits and currency, apparently a safe enough margin of gold. This additional billion has not been trenched upon and our present reserve against credit and currency is about 77 per cent. Without most of it we would still be well above the safety line.

"Some of this new importation yields no return to us either in earnings or in security. It would serve us much better if we were getting returns for it by its exports to foreign countries. If it aided in making foreign currencies convertible into gold it would also contribute to stabilize foreign exchange and improve foreign commerce. In fact, for us it contains an element of insecurity.

"If a castle of credit and currency were created upon the whole of this gold it would mean the greatest era of inflation and speculation in our history. Such actions would increase our price levels to a point which would attract foreign goods to us and curtail our exports. It would thus quickly produce an adverse trade balance and cause this gold to flow abroad with a rush from under our castle of credits and we should have an unparalleled financial crash.

"There sems to be heard a sort of chortle in parts of Europe over the commercial strategy in shipping gold to us. It is assumed that we will incorporate this gold into our credit system and be put out of action by the price rises resulting from it. If we retain our normal commercial intelligence this will not happen. I am convinced that the surplus of gold will eventually flow outward in an orderly way through trade without any necessary increase in price levels and its flow need make no disturbance in our business life."

Frederick C. Goodenough, chairman of Barclays Bank, Ltd., in his public addresses during a recent visit to this country dealt with this subject in many of its phases. He recalled that after the French revolution France had debased her currency and issued Assignats. This had forced out her gold, which all accumulated in Great Britain. In the latter country great inflation of credit followed, there was a boom in trade which was carried to a high level. Eventually France took the step of withdrawing her unsound currency, and she was able to attract gold, the withdrawal of which from England lead to a severe crisis. Prices fell heavily and there were great commercial losses. Mr. Goodenough said:

"That anything of the kind is likely to happen in the immediate future in America because of her great powers of internal expansion, but I think that it is interesting and useful to recall the incident, which I have related, in order to demonstrate the fundamental principle which governs inflation of credit in consequence of too large accumulation of gold. It is, of course, understood that unhealthy inflation is just as much capable of taking place under conditions where there is too large accumulation of gold as under conditions of unsound currency."

One method by which the United States may dispose of its surplus gold was pointed out by Mr. Goodenough in this statement:

"If your investors on the advice of your expert financial men could invest in some of the sound international securities which exist or which may be created outside America they would be strengthening the national position and help to solve some of the existing difficulties arising from the aggregation of gold here. During the war as you know these international securities helped us in our need. They came back to you and saved our gold at a time when it was most necessary for us to conserve it.

"Such an investment policy now would probably minimize the danger of undue inflation here and would thus check an undue rise in price levels and possible difficulties of deflation should the balance of trade go against America, and Europe be able to draw gold at a time when it might be needed as a base for your currency. You would obtain an international security which would always be available at some future date when it might happen you should desire more gold—I am assuming that great care would be exercised in the selection of the securities, so that they would be acceptable in the principal financial centres."

In an article in Forbes' Magazine, Mr. John Oakwood comments on the fact that "gold is at a discount," and this discount as measured by what it will buy is, he estimates, 35 per cent., as compared to its value in 1913. On this point he says:

"The true index to the economic position of gold is found, not in the amount required to re-establish the gold standard, not in the decrease in annual production, but in world commodity price levels. These price levels do not indicate only the depreciation of paper currency. They represent also a decrease in the purchasing power of gold. In other words, prices to-day are high whether measured in gold or paper money. It takes more gold in 1923 to buy a given quantity of goods or services than in 1913.

"Gold in Europe is at a premium in paper currency; but it is at a discount in commodities and services, both in Europe and America."

Taxes Are Charged on Basis of Local Deposits

On the ground that expenses for 1921 exceeded profits made in Glace Bay by some $25,000, the Royal Bank protested against the payment of local income tax. The contention of the municipality was that deposits which could not be loaned in the town and were sent to head office represented earnings of $29,000 on the basis of 4 per cent. The assessment being upheld, the bank appealed to the Supreme Court, contending that it was only the local profits that could be taxed and that the allowance of 4 per cent. of the deposits was only a matter of bookkeeping to enable the head office to decide on the standing of the branch.

The appeal was dismissed by the Supreme Court with costs, the assessment restored and provision for reference struck out. The Chief Justice and Mr. Justice Duff dissented.

Exchange

NEW YORK FUNDS

June 28—Funds opened at 2 15-32, touched a high of 2 33-64, and closed at 2 15-32.

June 29—Opening at 2 7-16, funds touched a low of 2 13-32 and closed at 2 7-16.

June 30—Funds opened at 2 15-32, rose to 2 17-32, and closed at 2½.

July 2—No quotation.

July 3—Opened at 2 15-32 premium, reacted to a low of 2 5-16, and closed at 2 7-16.

July 4—Opened at 2 7-16, eased off to 2 13-32, closing at 2 7-16.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
June 28	4.59⅞	6.12½	4.64
June 29	4.57	6.05½	4.40½
June 30	4.58	6.04½	4.60
July 2	4.56⅝	5.90½	4.33½
July 3	4.56 1-16	5.92	4.34
July 4	No quotation		

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	June 28, 1923	Change	%
Montreal	$ 95,889,292+	$ 8,638,453	9.9
Toronto	85,513,405—	4,271,074	4.7
Ottawa	6,616,780+	33,099	.5
Hamilton	5,499,630+	105,514	1.9
Quebec	4,532,636—	137,692	2.9
Windsor	4,033,894—	273,629	6.3
Halifax	3,382,502+	485,448	16.7
St. John	2,700,973+	51,526	1.9
London	2,576,534—	378,670	12.8
Moncton	1,120,747+	134,904	13.7
Brantford	956,883—	40,553	4.0
Kitchener	914,735—	31,922	3.3
Sherbrooke	830,540+	150,540	22.1
Peterboro'	810,829+	138,933	20.7
Kingston	661,778+	24,556	3.8
Total East	$216,041,158+	$ 4,629,483	2.1

WESTERN CITIES

	June 28, 1923	Change	%
Winnipeg	$ 41,337,512+	$3,376,764	8.8
Vancouver	14,040,679+	911,038	6.9
Calgary	5,342,034—	452,506	7.8
Regina	2,929,098—	279,654	8.7
Victoria	1,837,483—	78,038	4.0
Saskatoon	1,267,402—	280,162	18.1
Moose Jaw	970,471—	86,818	8.2
Fort William	834,490+	240,927	40.6
New Westminster	616,606+	80,049	14.9
Brandon	457,561—	80,049	14.9
Lethbridge	359,531—	37,152	9.3
Medicine Hat	293,356—	8,239	2.7
Prince Alberta	269,040—	49,258	15.4
Total West	$ 70,555,263+	$ 3,270,287	4.8
Grand Total	$286,596,421+	$ 7,899,720	2.8
Year to date	$ 7,728,949,943—	$105,732,802	1.3

FIGHTING BURGLARS WITH PUBLICITY

And Incidentally Increasing the Number of Bank Savings Accounts

An epidemic of burglaries seized one of the cities in the Maritime provinces. The police seemed powerless to curb the thieves. In most of the cases money was stolen, and in some instances the amounts reached into the hundreds. A number of homes were broken into at night and ransacked while the occupants were motoring, walking, or otherwise enjoying the balmy air.

One of the city bank managers decided there was an opportunity for him in the thieving epidemic. He decided to start an anti-crime campaign and this is how he proceeded:

He had printed several thousand small booklets of four pages. On the front he had a cut of his bank, with the name of the bank underscored, and heading the cover were the words in large black letters: "Anti-Crime Campaign." Printed on the two inner pages of the booklet were the following paragraphs:

"There is one sure way of keeping a man or woman honest. That is to remove temptation.

"Why not put that money of yours which you are carrying on your person or leaving at your home, in this bank, where it will be entirely safe and earn you a dividend.

"You can make crooks go to work to get money by removing temptation. Join our Anti-Crime Campaign, and save money."

The booklets were distributed to each of the bank's customers, and mailed to every home in the district in which the bank is located. Several bunches of the booklets were also placed in branch post offices in the district. Increase in the number of deposits followed the unique campaign, most of the increases being attributed to the booklets and the pithy paragraphs.

Home

The recent sudden demise of John Bain, manager of the Home Bank at Windsor, has necessitated several staff changes. The late Mr. Bain has been manager of the Windsor branch since 1920, and for the previous nine years has been manager at Walkerville. He was well known and highly respected along the Windsor border. W. J. Wright, formerly manager of London, has been appointed to succeed Mr. Bain. Mr. Wright has been manager of the London office since 1921 and five years previous to that was manager of the Sandwich branch. O. Chapelle, manager of Verdun branch in Montreal since 1919, succeeds Mr. Wright at London. J. Mount Ducket, previously of the Montreal office, will take charge of the Verdun branch.

Sterling

The Sterling Bank announces the following staff changes: E. G. Matthews, recently transferred from Port Burwell to head office, has taken over the staff and premises departments; H. S. Ivey, former manager at Queensville, has been re-instated on the staff after having spent some years with the government; D. V. Hemsley of the credit department, transferred to the profit department as manager; A. G. McDougall, accountant at Aurora, transferred to Toronto branch; G. C. Best, of Gilbert Plains, Man., transferred to Regina as accountant.

The Banks Reduced Commercial Loans During the Month of May

A decline of about $5,000,000 in current loans during the month of May probably reflects the policy of concentrating bank funds for the movement of the new crop rather than a curtailment of commercial requirements. At the same time demand deposits in the banks were reduced by over $15,000,000. Loans abroad were reduced by $10,000,000 and foreign deposits by $5,500,000. Altogether there was a contraction of about $27,000,000 in gross assets and over $22,000,000 in gross liabilities. Savings deposits increased by $3,750,000. Circulation was reduced by $8,875,000. Call loans abroad increased nearly $4,000,000 and municipal loans by about $2,400,000. Deposits in foreign banks were reduced by $5,000,000 and loans on public securities by $6,300,000; provincial loans were reduced by about $1,500,000.

As compared with a year ago, current loans are lower by over $57,000,000 and savings deposits are higher by $33,000,000.

Balances in foreign banks have been reduced by $68,000,000. Following are comparative figures showing changes:

Immediately Available Liquid Resources

ASSETS

	May 1923	April 1923	Change	May 1922	Change
1—Specie	$ 70,964,043	$ 70,681,060+	$ 282,983	$ 75,373,986—	$4,409,943
2—Dom. Notes	169,722,840	166,619,535+	3,103,305	151,234,364+	18,488,467
4—Gold Reserve	57,452,533	56,552,533+	900,000	55,252,533+	2,200,000
9—U. K. Banks	6,842,041	6,488,224+	353,817	14,568,303—	7,726,262
10—Foreign Banks	53,624,290	58,727,514—	5,103,224	121,591,621—	67,967,831
11—Gov. Secs.	237,181,508	236,031,991+	1,149,517	190,403,120+	46,778,388
15—Call loans ab'd.	214,916,288	211,109,821+	3,806,467	186,546,931+	28,369,357
	$ 810,703,543	$ 806,210,678+	$ 4,492,865	$ 794,970,858+	$ 15,732,685
Loans and Securities Other Than Those of Canadian Government					
12—Public Secs.	$ 108,883,991	$ 115,186,064—	$ 6,302,073	$ 80,918,488+	$ 27,965,503
13—Railway Secs.	51,267,211	51,862,245—	595,034	42,168,956+	9,098,255
14—Can. Call Loans	94,350,470	94,021,385+	329,085	101,239,989—	6,889,428
16—Current Loans	1,083,067,185	1,087,969,788—	4,902,603	1,140,425,500—	57,358,315
17—Loans Abroad	152,817,030	163,148,823—	10,331,793	144,896,130+	7,920,900
19—Prov. Loans	6,761,810	8,196,294—	1,434,484	7,689,391—	927,581
20—Municipal	78,824,482	76,431,861+	2,392,621	81,255,650—	2,431,168
	$1,575,972,179	$1,596,816,460—	$20,844,281	$1,598,594,013—	$22,621,834
Other Assets					
21—Overdue Debts	$ 6,757,241	$ 7,187,961—	$ 430,720	$ 7,564,147—	$ 806,906
22—Real Estate	5,790,184	5,516,390+	273,794	4,803,540+	986,644
23—Mortgages	3,248,870	3,170,733+	78,137	3,141,093+	107,777
24—Premises	69,663,106	69,423,365+	239,741	70,158,544—	495,438
25—Lets of Credit	19,220,153	17,728,822+	1,491,331	19,624,856—	404,703
26—Other Assets	5,610,043	4,553,564+	1,056,479	4,178,535+	1,431,508
	$ 110,289,597	$ 107,580,835+	$2,708,762	$ 109,470,715+	$ 818,882
Total	$2,406,965,319	$2,510,607,973—	$13,642,654	$ 2,035,586—	$ 6,070,267
3—Note Cir. Dep.	6,454,339	6,454,339	....	6,534,020—	79,681
5-8-Int. Bk. Bal.	154,812,845	168,139,667—	13,326,822	151,407,167+	3,415,678
Gross	$2,658,232,503	$2,685,201,979—	$26,969,476	$2,660,976,773—	$2,744,270
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
1—Circulation	$ 157,379,291	$ 166,255,925—	$ 8,876,634	$ 155,652,145+	$1,727,146
2—Dom. Gov.	51,213,625	44,625,413+	6,588,212	64,726,589—	13,512,964
3—Prov. Gov.	35,087,665	33,822,221+	1,265,444	31,685,719+	3,401,946
4—Demand Dep.	521,954,703	537,340,978—	15,386,275	494,185,496+	27,769,207
5—Savings	$1,231,001,480	$1,227,253,431+	3,748,049	$1,197,789,747+	$33,211,733
Total	$1,752,956,183	$1,764,594,409—	$11,638,226	$1,691,975,243+	$60,980,940
6—Foreign	313,544,813	319,086,906—	5,542,093	367,434,235—	53,889,422
Due to Banks Abroad, Etc.					
9—U. Kingdom	$ 4,716,421	$ 6,609,143—	$ 1,892,722	$ 8,841,614—	$4,125,193
10—Foreign	33,455,964	31,085,390+	2,370,574	28,329,534+	5,126,430
11—Bills Payable	7,618,649	9,808,611—	2,189,962	6,134,074+	1,484,575
12—Acceptances	19,220,153	17,728,882+	1,491,331	19,624,856+	404,703
13—Other Liab.	3,629,115	3,064,983+	564,132	4,182,374—	553,259
Public Liab.	$2,378,821,879	$2,396,681,823—	$17,859,944	$2,378,586,383+	$ 235,496
8—Due bet. bks.	10,554,274	14,889,642—	4,335,368	8,793,657+	1,760,617
Gross	$2,389,376,153	$2,411,571,465—	$22,195,312	$2,387,380,040+	$1,996,113

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PRIVATE CONCERN WOULD NOT HAVE BUILT THE LINES

(Continued from Page 1)

high business calibre voted down the entire appropriation. No attempt was made to discriminate between the 29 different railway lines that were planned. It all went by the boards.

And after the slaughter who was there to shed the tears? Rumor has it that some of the members of the cabinet were well pleased with the action of the Senate. The government had done its political duty by the localities interested in bringing down the proposals of Sir Henry Thornton and his board. And was the government to blame when the Senate wrecked the well laid plans? No: the Cabinet shed no tears. Did the operating officials of the Canadian National Railways? At the C. N. R. headquarters in Montreal there was no visible show of chagrin or disappointment. The operating men did not ask for the lines. A high official of the C. N. R. told THE FINANCIAL POST that only one of the 29 lines asked for had any real function to serve in the co-ordination of the lines. This was the line from Long Lac to Ka Nakina, Ont., and this will not be interfered with because it has already been provided for in another manner. The other lines in nearly every case either tapped new country, or were completions of ill-advised lines started in Canadian Northern days or were to provide access to markets for settlers who had gone in to various localities under the promise of railroad communication.

Even Officials Not Unanimous

Now it is often good railroad practice to build lines that will not immediately pay for themselves if they open up new areas to create traffic. If no such lines were built young countries could never be developed. But even some of the Canadian National officials question the wisdom of building such lines when the railroad deficits are still so high; get the deficits down and show results before expanding the mileage in country already overbuilt with railway lines, they say.

It may be feared that the action of the Senate in turning down this vote may hold up the complete unifying of the national railway system into one physical unit, but there is not a great deal of ground for this. As a matter of fact it is understood that Long Lake line and possibly the St. Jerome line are likely to be proceeded with by the C. N. R. directors despite the action of parliament. These lines can be classed as coming within the scope of consolidation of existing systems and the board has authority to make expenditures on this account out of its $73,000,000 operating appropriation. All that has been done has been to postpone the construction of lines that were planned for sectional purposes without impeding progress on lines that are essential for the proper linking up of the existing lines.

Not Justified on Business Basis

Perhaps a good way to judge this program would have been to ask if it would have been gone ahead with by privately managed corporations. The answer is decidedly "no." Some Canadian National Railway officials themselves admit this. As one said to THE FINANCIAL POST: "Despite all the theories that are being discussed we are not a private corporation and cannot operate as a private corporation. We are a national railway and are therefore called upon to serve the national interest. It may be that the national interests are not always the interests that tell in actual operating revenues, but in that case we may have to bow to other considerations than earning a profit for the taxpayers. Take, for instance, the completion of the Central Vermont Railway to Providence, R. I. From an operating standpoint this is entirely justified in that it would reduce the deficit paid by the taxpayers of the country. But from a political standpoint it is entirely wrong in that it would help to divert traffic to American ports instead of creating traffic for Canadian ports."

From a business standpoint therefore the action of the Senate seemed to be substantiated as in the best interests of the taxpayer. Perhaps when the C.N.R. is beginning to pay its way branch lines based upon other than operating reasons may be considered.

B.C. Conditions Best in Fifteen Years

KAMLOOPS.—It is hardly possible to meet a rancher or farmer throughout a wide area contributary to Kamloops whose report as to crops is not one of the greatest optimism and hope. Not in years have there been such generous rains. Men like W. P. Pritchard, of Pritchard, say: "I have been here fifteen years and have not seen things look so well." On every hand the same story is heard. All the vexation of yesteryear, that hope deferred which made the heart sick, has been forgotten in the general satisfaction expressed by the entire agricultural industry.

NEWS AND VIEWS FOR MANAGERS

SHOULD NOT PUT TOO MUCH FAITH IN THE AUDITOR

Senator Fowler Tells Senate Some of His Experiences

When the Bank Act was being considered in the Senate at Ottawa Senator Fowler gave some personal experiences to back up his argument that it would be better to leave the auditing of the bank accounts to the banks themselves because "it is their own audit and their own statement anyhow." He argued that it was not difficult to fix the accounts so as to keep the truth away from the auditor who was not in a position to set the values of investments or assets.

It was my privilege at one time to defend a bank manager who was accused of having stolen $80,000 from the Bank of New Brunswick. He was the manager of a branch in the city of St. John. When the general manager of the bank was on the stand I subjected him to a day and a half's cross-examination, in the course of which he made the statement that no bank audit was worth anything. The facts of that case were that the books of the branch had been audited on the 2nd of April, and a clean bill of health had been given the bank; but on the 5th of April, only three days afterwards, it was discovered by accident that there was a defalcation on the part of the manager to the extent of $80,000. A book-keeper who cannot outwit a chartered accountant is not worth the money that is paid to him for keeping books: There is something slack about him.

I had an experience as a member of a corporation. During the time the corporation ran, we had three audits. They were all favorable, and showed a very flourishing condition of the company. It was a lumber company. The last audit showed that we had made $14,000 clear on a capitalization of $75,000. Within three months of the time that audit was issued by a member of the Association of Chartered Accountants we went into liquidation, and we not only did not pay the general creditors anything, nor return anything to the stockholders; but three of us who were directors, and directors of the ordinary kind who do not know anything about the business they are directing, were obliged to pay a very considerable amount of money, nearly $50,000 on the guarantee to the bank for its account. We had three audits, as I say, all favorable, which shows how little you can depend upon an audit. We had also the sworn statement, which I cited to you, of the general manager of the Bank of New Brunswick at that time.

Unless an auditor knows the value of the securities that the bank holds, how can he possibly tell whether the audit is correct or not, or whether the bank statement is correct? Here is a lot of securities put in at so much, say $4,000,000 or $5,000,000, but unless the auditor is able to value them what does his audit amount to? You might as well take the account of the bookkeeper. So I do not see how you can surround the audit with safeguards that make it of any real value whatever. The auditors would have to audit all the different branches. Here is a note of $3,000 in a branch bank; before the auditor can pass that as $3,000 he should know what the makers of the note are worth, and whether they are able to pay it when due, else it may be only useless paper; yet it is passed as $3,000 of good assets. I am not finding fault with the auditor, but I say it is absolutely impossible to make an audit which will be anything like perfect, or that can guarantee beyond peradventure the truth of the statement it gives forth.

Suppose it is a lumber business. The chartered accountant knows nothing about it, and if he is not able, when he sees a pile of lumber in the yard, to tell what it is worth in superficial feet, or what a lot of lumber in a stream will produce in superficial feet, how can the audit be any good? He must accept the statement of the bookkeeper or the estimate of the bank manager in each case as to the value of the things he is auditing. That seems so apparent when looked into that I do not see why we need worry ourselves over the kind of audit. I would leave it to the bank to make their own audit, without restriction, because it is their own audit and their own statement anyhow.

Service Wins New Savings Depositors

One Maritime bank manager has been offering service with each account and using small advertisements in the newspapers and little cards, distributed from house to house, in advertising this service.

The advertising matter consisted of the following:

YOUR ACCOUNT

with the ——— Bank should pay you in services as well as interest on what money you have deposited.

This service is Free to all depositors. And there is no obligation whatever. It is not necessary that you be a depositor in this bank only.

When you face some financial problem let us give you expert advice. Call and let us have a thorough discussion. Let us prove that our service is capable and reliable. Ask for the manager of

——— BANK

Inside the bank at the entrance, a large signcard has been suspended. It reads in painted letters, "If you have a financial problem let our manager help you. There is absolutely no charge to depositors."

This manager has stimulated interest in his bank by catering to the financial problems of the customers. He has not waited for the customers to come to him. He has made his service known to the customers and prospective customers. Such service has proven attractive for many who had not been depositors at this bank, and who felt the urge to open accounts at the bank following the announcement of the bank manager.

The invitation by the manager has been accepted by many depositors who had not approached any of the previous managers at the bank to discuss financial questions. The bank has received increased business in deposits and presents a much busier appearance than in the past, a larger percentage of the depositors calling on the manager for financial discussions in one week now than had been the rule previously for two weeks.

What is a Federal Reserve Bank?

Something About the American Rediscounting Institution Which Has Been Suggested for Canada

By STUART H. PATTERSON,
Comptroller, Guaranty Trust Company, of New York.

Q. What is a Federal Reserve Bank?

A. Under the Federal Reserve Act of 1913 the United States was divided into twelve districts and each district has a Federal Reserve Bank, with one or more branches if desired.

Q. Do Federal Reserve Banks take deposits from individuals?

A. No. The Federal Reserve Bank can take deposits only from member banks and trust companies, foreign banks, foreign governments and certain United States government funds. It can also take deposits from non-member banks for specific purposes only.

Q. What are the functions of Federal Reserve Banks?

A. The principal functions are:

(a) The centralization and regulation, under government control, of the gold reserves of the United States, which formerly were scattered through some thirty thousand banks of the country, with greater opportunities to ship it to foreign countries or dispose of it at pleasure. The centralization and control of the gold is in the best interests of the country as a whole and makes the gold more readily available for credit purposes.

(b) The means by which the currency of the country is automatically expanded and contracted to meet business requirements, as previously explained.

(c) To facilitate business by acting as a clearing house for the collection of cheques, drafts, etc.

(d) To act as a balance wheel in regulating credit expansion in excess of the amount necessary and safe for the good of the country.

(e) To act as a medium through which the United States government can distribute its borrowings when in need of funds.

(f) To purchase in the open market, or from other Federal Reserve Banks, commercial bills of exchange, bankers' acceptances, etc., which would tend to preserve equilibrium between localities where money was plentiful and where it was scarce.

Q. Can the deposits of member banks and trust companies with Federal Reserve Banks be treated as reserves for their deposits?

A. Yes.

Q. What reserves are banks and trust companies required to keep?

A. On time deposits banks and trust companies which are members of the Federal Reserve System are required to keep 3 per cent. of the deposits, while on demand deposits the amount varies according to the location of the bank. Country banks are required to hold 7 per cent. reserves, while banks in reserve cities are obliged to hold 10 per cent., and in central reserve cities 13 per cent. As a result of greater flexibility under the Federal Reserve law in obtaining funds in times when there are heavy demands for money, the banks can operate more safely with the smaller reserves than they could formerly with the higher reserves required under the old law.

Q. Are Federal Reserve Banks also obliged to carry reserves to protect deposits with them?

A. Yes. Federal Reserve Banks must carry reserves of 35 per cent. of deposts in gold or lawful money. Lawful money is gold or silver, or certificates issued therefor, and legal tender notes.

Q. What is the purpose of having reserves?

A. A bank must invest the money deposited with it or it could not pay operating expenses or interest on deposits, and the money would not be available for loans to business enterprises, to move crops, etc. On the other hand, a bank must not lend all of its deposits, or it would not be in a position to meet any unusual withdrawal of funds. Consequently, the law requires a certain percentage of the funds deposited shall be held in a reserve fund and the reserves of banks and trust companies in the Federal Reserve System are held by the Federal Reserve Banks.

Q. Suppose that an unusual amount should be withdrawn from a bank so that its reserve fund would be depleted below the amount required by law; what would happen?

A. The member bank or trust company would rediscount with the Federal Reserve Bank sufficient eligible commercial paper to restore its reserves.

Q. Suppose there were a number of unusual withdrawals and the bank had no more commercial paper it could rediscount with the Federal Reserve Bank and no bonds upon which it could borrow money from the Federal Reserve Bank; what would it do then?

A. In an extreme case of this kind, assuming that the bank did not have other assets upon which it could realize in the immediate future, it would be obliged to suspend payment.

Q. If a bank suspended payment, would the depositors lose money?

A. A bank might be obliged to suspend if it were loaded up with too many slow loans and paper which was not eligible, even if its assets ultimately realized one hundred cents on the dollar. As extra security, however, the Federal law and many of the state laws make the stockholders of banks and trust companies liable for an additional amount of their stock ownership. Therefore, unless there were unusually bad judgment and management, the depositors would be reasonably safe, although there might be delay in receiving their money.

Q. Who owns the stock of the Federal Reserve Banks?

A. The stock of the Federal Reserve Banks is owned by banks and trust companies which are members of the Federal Reserve System.

Q. If the stock of the Federal Reserve Banks is owned by banks and trust companies, how does the operation of the Federal Reserve System come under government control?

A. The policies and affairs of the twelve Federal Reserve Banks are under the general supervision of a Federal Reserve Board, located in Washington. This Board is composed of seven members, including the Secretary of the Treasury and the Comptroller of the Currency. The other five members are appointed by the President of the United States.

Q. Would it be beneficial if the government owned all of the banks, instead of controlling their operations through the Federal Reserve Board and Federal Reserve Banks?

A. To accomplish the best results in any undertaking there must be the personal incentive for profit, which is entirely lacking in government ownership. To produce profit a bank must be run safely, give good service, and please its customers, and, therefore, should reach its highest development and render the greatest public service when privately owned. If a bank makes money, the customers of the bank and the general public can share in its prosperity by becoming stockholders. A bank which has its stock owned largely by its customers and employees is in a most favorable position.

Bank Mergers From 1867 to Date

(Supplied By Department of Finance.)

Commercial Bank, and Merchants Bank, under name of Merchants Bank of Canada	February 22, 1868.
Gore Bank, and Canadian Bank of Commerce........	May 19, 1870.
Niagara District Bank, and Imperial Bank of Canada........	June 21, 1875.
City Bank, and Royal Canadian Bank, under name of Consolidated Bank of Canada	May, 1876.
Union Bank of Prince Edward Island, and Bank of Nova Scotia	October 1, 1883.
Bank of British Columbia, and Canadian Bank of Commerce..	January 2, 1901.
Summerside Bank, and Bank of New Brunswick........	September 1, 1901.
Commercial Bank of Windsor, and Union Bank of Halifax....	October, 1902.
Exchange Bank of Yarmouth, and Bank of Montreal........	August 20, 1903.
Halifax Banking Company, and Canadian Bank of Commerce..	May 30, 1903.
People's Bank of Halifax, and Bank of Montreal........	July 1, 1905.
Merchants Bank of Prince Edward Island, and Canadian Bank of Commerce	June 1, 1906.
People's Bank of New Brunswick, and Bank of Montreal....	April 30, 1907.
Western Bank of Canada, and Standard Bank of Canada.....	February 13, 1909.
Northern Bank, and Crown Bank of Canada, under name of Northern Crown Bank	July 3, 1908.
Union Bank of Halifax, and Royal Bank of Canada........	November 1, 1910.
United Empire Bank of Canada, and Union Bank of Canada..	March 31, 1911.
Eastern Townships Bank, and Canadian Bank of Commerce..	March 1, 1912.
Traders Bank of Canada, and Royal Bank of Canada........	September 1, 1912.
Bank of New Brunswick, and Bank of Nova Scotia........	February 16, 1913.
Bank Internationale du Canada, and Home Bank of Canada...	April 15, 1913.
Metropolitan Bank, and Bank of Nova Scotia........	November 14, 1914.
Quebec Bank, and Royal Bank of Canada........	January 2, 1917.
Northern Crown Bank, and Royal Bank of Canada........	July 2, 1918.
Bank of British North America, and Bank of Montreal.......	[illegible]ctober 12, 1918.
Bank of Ottawa, and Bank of Nova Scotia........	[illegible]ril 30, 1919.
Merchants Bank of Canada, and Bank of Montreal........	[illegible]h 20, 1922.

WAGE ADVANCES HAVE UNSETTLED FUTURE OUTLOOK

(Continued from Page 1)

The whole world has gone a long way toward finding itself since then.

The business sky is seldom entirely clear of clouds, and the rise of industrial costs which started last spring and is still in progress is unfavorable to permanent prosperity. The apprehensions which have been aroused have served a good purpose in checking the pace that was developing. The wage advances that are being demanded, and in many instances granted are menacing, not in the main because of their effect upon the profits of the employers immediately involved, but because they threaten the general prosperity. Judging by the obvious possibilities and probable trend we expect good business.

Regarding the uncertainty in the whole situation, the Bache Review says:

Conclusions as to what the state of business will be later on in the year are still as uncertain as ever. The break in stock prices last week, followed by recovery, has been repeated to some extent this week, and those who rely upon the stock market as a barometer of business are looking for a fall-off of considerable proportions, which the stock market is said to be discounting. It is true that there have been periods in the course of bull markets where a mid-summer decline, not different from the present one, has been followed by "renewed and enthusiastic trade expansion" and an advance all along the line in the stock market in the autumn. But those movements took place either during the war when the extensive war-buying galvanized all industry or during the post-war movement, which raged furiously when it was discovered or supposed that there was a shortage of goods all around. Such a condition evidently does not now exist.

Yet the indications, for instance in the steel market, in this week's report, do not so far show any real trend away from activity. The large scale of operations is being continued, and the shutdowns for July, planned for the purpose of repairs, will be, it is said, of minor importance. Full shipments are being made on contracts, and there is no evidence that manufacturing buyers are less anxious to have their shipments made promptly. Perhaps the only indications of a change lie in the fact that some mills are catching up on orders and it is possible to get fulfillments more promptly. The railroads are holding off on further car buying, but at the same time do not hesitate to buy anything else needed, and, according to the Iron Age, are calling for as liberal shipments as possible against contracts.

New orders, however, are not large and appear to be mainly in the building trade—probably for those structures which must be finished. Pig iron buying, however, continues to show softening and third-quarter orders are not in evidence. Concessions fail to bring out new business.

In the developments in the business situation during June the American Exchange National Bank of New York believes that adjustments were made which will restore industrial health:

In many important particulars, in connection with the future of domestic trade, the developments in June were among the most significant of the year. Surface changes so far as business activity was concerned were few, but the reappearance of the conservatism which was the foundation of the recovery during the early part of the year restored confidence to a firm basis, thus impressing upon business men the fact that it is possible to maintain a reasonably uniform volume of trade through the application of sound methods. The almost complete disappearance of the tendency to speculate, which was mainly responsible for the uncertainty developed late in April and early in May, was regarded as an assurance that sound methods are in favor again. This condition may not continue indefinitely, for confidence in the future, which usually rests on a basis of an expectation of a continuing demand for goods at higher prices, is a direct inducement to speculation, but it is probable that conservative methods will prevail for increasingly longer periods after it becomes more generally understood that the factors which were responsible for the last check will again operate if the conditions which brought them into play in the first place are repeated.

That the more sensible buying attitude of the public will have a salutary effect on business in checking price advances is the opinion of the National City Bank of Chicago:

The country has entered an era of sensible buying, which is very different from the situation indicated by a "buyers' strike." The public has previously registered an effective protest against a greater rise in merchandise prices than is warranted by trade conditions and this influence was of great value when there seemed danger of resuming inflation which might develop serious complications. Retail trade in various cities is showing up well, but buyers remain cautious and are not inclined to purchase freely without insisting upon reasonable prices and good service.

Canadian Tires Favored by South African Duty

From Our Own Correspondent

MONTREAL.—The new customs tariff on tires, which became effective in South Africa on March 26, favors imports from the United Kingdom and Canada. Casings are now assessed on weight at one shilling per pound with a rebate of 3d. per pound in British goods. This makes a preferential of 25 per cent. in favor of British manufacturers, whereas, under the former duty of 20 per cent. ad valorem with a rebate of 3 per cent. on British and Canadian goods, the preferential was only 15 per cent. The preferential on inner tubes for automobile and bicycle tires and tubes is likewise 25 per cent., while that on solid tires is now 33-1/3 per cent. as compared with 15 per cent. before the change.

MOTOR TRUCK IS BIG PROBLEM IN ROAD BUILDING

Heavy Traffic Should be Confined to Proper Roads

A WESTERN EXAMPLE

Organization to Regulate Traffic on Provincial Highways —An Inter-Provincial Question

By A. W. CAMPBELL,
Dominion Good Roads Commissioner.

One of the real problems in the future in highway development is relating the advisable weight of traffic to the improvement laid down on different routes. In brief, this means regulating the traffic, particularly commercial truck traffic, so as to keep it off of roads which will be partially or completely destroyed, and keep it on roads which have been designed in part at all events, to sustain traffic of this character. It should be possible for a motor trucking organization to go to a map of the highways of a province, and from the information there given, to decide whether it can economically and in accordance with the regulations of the province, operate its equipment upon one road or the other to a given destination. This map should be so colored as to show the roads constructed, let us say of a rigid or semi-rigid type, of a flexible type, and of soft surface type. This information would be invaluable to the general touring public as well. This plan means saving our investment in improved roads, while giving the services in demand by different classes of traffic.

In British Columbia

In the Province of British Columbia there has been organized a committee representative of the municipalities of the Lower Mainland, the Provincial Cartage Association, and other interested parties in regulation of the truck traffic with a view to not only protection of the highway, but the development of commercial motor truck traffic. This committee is commencing to classify all the roads of the Province, as just indicated. Each type is expected to sustain a gross weight of a different limited amount. And, one of the proposals which I am sure will commend itself to thoughtful students of the road question, is to limit the permissible tonnages upon wheels with the more narrow tires to a greater extent than upon wheels of wider tires. The question of difference in permissible tonnages, having regard to the varying amount of damage done to our highways by solid tires, as compared with pneumatic tires, is also under consideration. The worn solid tire of a heavy truck is a positive bane to any road, however well improved.

In dealing with this matter of regulation of traffic, according to the character of the tires of the vehicle, commendable legislation was recently passed by the Province of Quebec. The permissible gross weight of commercial motor vehicles in the Province of Quebec is as follows:

"With non-pneumatic tires, five tons outside of cities and towns and six tons in cities and town, or not exceeding 500 lbs. per inch width of tire.

"With pneumatic tires, six tons outside of cities and towns and twelve tons in cities and towns, or not exceeding 800 lbs. per inch width of tire.

"The Minister of Roads is authorized to grant permit to an owner of a motor vehicle exceeding the above limit providing the vehicle is confined to certain roads specified."

From the latter clause, it will be observed that in this Province, too, the tendency is to specify clearly the roads upon which the new heavy duty traffic will be allowed to travel, excluding them from all others.

Motor Legislation

One of the incidental problems of the near future, in connection with highway development, is the institution of means to give real effect to provisions of motor vehicle legislation. In provinces having a well-organized body of provincial police, it is a comparatively simple method to have constant patrolling by designated officials of the police in order to control and regulate the fast moving and heavy duty traffic. But, in provinces where such an organization has not been perfected, it may be expected that regulation of this traffic will not be a success, unless other steps are taken to this end. In such cases, it would seem to be advisable to have such regulations as will, when infractions have occurred, make notable examples of offenders. The enactment of a law which will confiscate the vehicle for wilful and wanton violation of absolutely necessary regulations of motor vehicle traffic would seem to be called for.

History of Roads

The history of the development of the roads of this country, as far as the incorporation of turnpike companies is concerned, has a rather important bearing upon a problem that is looming up to-day. In a number of communities it was found, half a century ago, that provision must be made for building roads of the type that the system of road building of the day was unable to provide. The statute labor system was inadequate to the requirements of heavy duty traffic between some of the villages and towns of the province as well as elsewhere. Accordingly, companies were organized to provide the type of road required and were permitted to charge toll upon the users of their roads. Those companies served a useful purpose in the development of good roads in these provinces. However, as the amount of traffic increased over toll roads, the imposition of a toll became burdensome to the traffic; and, consequently, the toll roads were taken over by the municipalities in which they were situated, or by the provinces themselves. Many municipalities have been providing transport service upon what were formerly toll roads, now for a number of years. However, these municipalities are now contending with the same problem that arose many years ago. There is a traffic which requires a type of construction much better than will serve the preponderance of the traffic using the former toll roads quite satisfactorily. Much of this heavy traffic originates without the boundaries of such municipalities. It is a foreign traffic that contributes nothing to the construction or maintenance of the roads upon which it travels. While this traffic may conform to provincial regulations as to tonnages, speed, etc., it is often responsible for the rapid unravelling of the best water-bound macadam road and in some cases, for its complete destruction from foundations. In such events muncipalities are helpless to collect any return for the amount of damage done to their highways. The question, therefore arises, what steps should be taken in the premises to protect the investment being made by such municipalities in road adequate for local purposes and at the same time, to secure from the operators of this heavy duty traffic some adequate return for the service being given to them, or that might give. The question as to whether municipalities are in their own interest to be obliged to provide for exceptional traffic, much of it foreign, is one that is yet agitating the minds of members of road committees in many municipalities in the central provinces of the Dominion. These facts I venture to draw to your attention for this purpose, namely, that the future of the good roads movement may not be jeopardized by the call, sometimes heard, for nothing but the most durable types of construction upon all roads in all provinces. Uniformity of type of construction is, having regard to the financial limitations of to-day, both impracticable and undesirable.

No More Toll Charges

I am strongly convinced that now that the toll roads have been practically all abolished in Canada, that all the roads of the different provinces are free to public travel, providing they conform to the statutory regulations, never again will toll be exacted for any highway traffic. We must expect a certain amount of interprovincial traffic, just as there is now a considerable amount of intercounty and interurban traffic. Insofar as interprovincial traffic may be regarded as foreign, to the same extent and to the same degree, interurban and intercounty traffic may be so regarded. The King's highway was never intended to end at provincial boundaries any more than to end in the market centres of a given city. I trust that the good sense of Canadians of to-day and of to-morrow will ensure free passage over roads of this broad Dominion to any law-abiding citizen forever. But, let us keep continually on the road to improvement.

The First Bank in Canada

By PROF. ADAM SHORTT

The first bank in Canada was attempted to be established in 1791. The next effort was in 1808 but that was squelched by the beginning of the war. Then we had the very interesting experiment of the Army bills issued by the Government, on the authority and charges of the British Government. They were circulated in Upper and Lower Canada and were convertible, at the option of the holder into bills of exchange on London, and so they came to be really cashed in goods brought to Canada. You can easily see that they would never fail below value because the imports were always bigger than the exports, and they were always cashable in London. You could get cash there for them if you cared to, but most of them went there for goods imported, while some of them were sold in the United States. Now that had proved to be a very great convenience, and when these were withdrawn the dislocation of trade was obvious; so they started again to establish a bank, the effort being made by much the same parties who had attempted it in 1808. That was to be a combination of a private and a public bank; that is, the Government was allowed to take shares in it. In fact it was almost an exact reproduction, with just a few variations, of Hamilton's scheme for the first bank of the United States, and on the same basis. That is where we got our system, as Sir Edmund Walker pointed out the other day. Our Canadian system is a legitimate, continuous, unbroken development from Hamilton's Message to the first Congress of the United States under the new Constitution, and the first bank of the United States, which was a wonderfully successful bank with branches all over, and was killed only because it was discovered that the great majority of the shares of its stock were held by British capitalists. When it was about to be renewed in 1791 and again in 1811, the war came on, and it was turned down because they imagined it was a stranglehold that Britain had on the U. S., although no British subject was allowed to be a director or officer. Here in Canada the Bank of Montreal was the first to be established, getting a charter in 1821.—From the evidence of Dr. Adam Shortt to the Banking and Commerce Committee, Ottawa.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TOAONTO, JULY 6, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

TOURIST BUSINESS IS GOOD BUSINESS

A POSTHUMOUS product of the Drury government's tourist campaign has appeared in a delightfully artistic and comprehensively informative volume telling of "The Lake-land Playground," and how to get there. It is issued by the Board of License Commissioners, and from that source indicates co-ordination between the efforts to get tourists to come into the province and other efforts to see that they are provided with proper accommodation at a fair price while they are here. Further it has been the policy of the Drury government to link up the tourist campaign with the building of good roads and we believe that developments will justify the claim that well made expenditures on highways can be justified by the returns from tourist business.

In Nova Scotia a provincial tourist organization has been headed by a manager, who has made a reputation in efforts of this kind and the tourist edition of the Halifax Chronicle is an addition to publicity literature indicating that the successful efforts on the Pacific coast to cater to American tourists is being closely seconded on the Atlantic seaboard. Quebec is continuing its enterprising work in this direction and other provinces are realizing more and more that effective advertising to make Canadian resorts known and that business-like expenditures to improve roads, hotels, etc., are good investments. Nor should it be overlooked that in addition to bringing in tourists from the United States the same efforts will keep in Canada our own people who would otherwise leave the country for their vacations.

TOO MANY BANK BRANCHES

THE problem of the present for the Union Bank has been met in the courageous and business-like manner in which the directors have faced losses and adjusted their affairs to meet conditions. The problem of the future is to prevent further losses and to make profits for the shareholders.

In this connection the question may well be considered as to whether the Union Bank, in common with other Canadian banks, is not trying to operate a too cumbersome machine from the standpoint of successful banking economics. We refer to the branch bank system as it has been developed.

After the signing of the armistice there was rapid competition between the various banks in the establishment of branches. For some years no new branches had been opened. Then, between November 1918 and 1922, the total of branches was increased from 3,400 to about 4,900. Many of the more conservative bankers believed that the expansion was unsound, that it was not good business, but competition spurred the movement forward until the collapse of the Merchants Bank brought a realization of the hard facts. Since then the total number of branches has been reduced by about 300, but the statement is made by a banker well in touch with the whole situation, that a thousand banks could still be closed without really impairing the service rendered and with an important reduction in expenses—where, in fact, losses would not actually be avoided.

No doubt any further general reduction of bank branches will have to be considered with care, but there is hardly room for doubt but that there could be a material reduction of the number without inconveniencing the public. There are many small communities with several branches where two would give ample service, others where one would do where two are now opened, and in the cities important reductions could also be made —Toronto with 250 branches is an example.

The Union Bank and other banks are facing this problem of cutting down their overhead costs. A courageous policy with regard to the closing of unprofitable branches will go far to right what appears to be an unsound situation as regards the country's banking system.

HOOVER ON GOVERNMENT OWNERSHIP

AT THE recent meeting of the Chamber of Commerce of the United States, in an address, Herbert Hoover, secretary of commerce, set forth his views on government ownership in a way that cannot be misunderstood. He said:

"Our goal in economic life is to do this great thing, to preserve individual initiative, an equality of opportunity, and thus a constantly advancing national standard of living. Our economic and social system is fundamentally right. It has produced the largest advance in the standard of living to the whole of our people that has ever been witnessed in history.

"We have in America an economic and social system based on stimulation of individual initiative. Our ideal is to secure and to maintain an equality of opportunity to all. We have honestly sought over years to find methods by which we could curb those who would dominate the community and thus stifle the initiative and opportunity of the greater number.

"The exact line to be drawn in the curbing of people whose ambition is to interfere with the law of supply and demand to their profit without return of service to the community on the one hand and the extinction of initiative by the heavy hand of government on the other is at all times difficult to determine."

Secretary Hoover recognizes the rights of private business and the menace to the public interest through the destruction of enterprises by those who would divert actual production and distribution into the hands of the government. He sees the government not as an economic dictator, but "as the greatest contributor in the determination of fact and of co-operation with industry and commerce in the solution of its problems." The safety to prosperity lies in "continued willingness of the people to save their enlarged savings, to resist extravagance and waste and to give full individual exertion."

We thus find Mr. Hoover agreeing with the sound principles of democracy as enunciated by Macaulay: "Rulers will best promote the improvement of the nation by confining themselves to their own duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward and idleness and folly their natural punishment."

INCREASING FLOOD OF "RED" LITERATURE

THE National Foundrymen's Association states that over 6,000,000 copies of Socialist-Radical publications are distributed every month, in Canada and the United States, and of these 2,000,000 are "direct action" papers. On the other hand, the publications directly supporting business, expend not more than 3 per cent. of the amount that the communist, socialist, and unionist organizations use in this way. Investigations show that more than $500,000 is spent monthly by the labor and socialist interests—this figure errs on the side of moderation—and it is a reasonable question to ask who pays the bill, for these parties do not have money of their own to expend on such a scale.

This condition is not confined to the workers alone, for it extends to schools and colleges throughout the British Empire and the United States, and the National Foundrymen's Association suggests that it would be a worth-while insurance policy for business men to meet this "Red" propaganda by sound education along the lines of business management and industrial production costs.

GIVING THE SPECULATOR A FAIR FIELD

THE fate of the Sale of Securities Act, passed by the last session of the Ontario Legislature, rests in the hands of the new government. It is to be hoped that in dealing with this measure the new government will not look upon it merely as an orphaned bill left upon its doorstep, but rather as a statute fathered by healthy public opinion.

Criticism of the measure comes from mining interests. But many incline to attribute this opposition to the mining man's hatred for red tape, rather than to a real danger that it will injure the industry. Then there is the investor to be considered and it is in the interest of the mining men that ample protection be given to his funds. It is not hard to appreciate the desire of the mining promoter to get his money free and easy, but we are also appreciative of the fact that it would possibly have been much better for mining if, in the past, some of the promoters had found it a little more difficult to raise funds. It is hard to see how it would be a great burden on mining if the real promoter had to go through a little more formality about launching his company if the same law made it impossible for the wild-catter to launch his fraudulent effort.

SOVIETS EVOLUTION TOWARD AUTOCRACY

A CABLE from Warsaw announced that the Soviet republics included in Russia had started sweeping demands for autonomy, and semi-independence from Moscow. Nine days later the parliament of Russia proper met, preliminary to the gathering on July 5th, which will form a cabinet of the United States of Russia — superior to the present commissars of Russia. From this gathering is expected a new system of government of two chambers, with Lenin as head of the new cabinet, or council of commissars.

This development is another step in the prearranged weakening of the power of Lenin and Trotzky, and the establishment of localized tyrannies which will be inquisitorial inversely to the breadth of their territorial control. There is little doubt that this change is proposed through German influence; and less doubt that the system will have in it the seeds of dissension between constituent parts, which will cause further disruptions until a military autocracy arises and sweeps the stage clean again. The Russian evolution, and its revolutionaries, are running true to form.

EDITORIAL NOTES

ACCORDING to an appraisal of the government elevators made by the Canadian Appraisal Company, Manitoba has lost $381,778 on its operations since 1910. The government owns 124 elevators, being a reduction from 158 operated in 1916 through fires and removals.

* * * *

ROBERT P. BRINDELL, idol of the building trades of New York City still in prison for "grafting," has been indicted for perjury in his income tax return for 1920. He set forth his income as $21,287 and paid thereon a tax of $1,358.55. It is charged that he knew very well that his income that year was $108,680. The method by which he "made" this income is a matter of court record.

* * * *

"THE PRINCIPLE of government confiscation of legitimate earnings is a vicious policy which has grown measurably in the last few years," says the Bache Review. "Legislation in business has increased during the past few years to such an extent, that the average business man hardly knows whether he is conducting his business legally or not."

* * * *

THE EUGENIA Electric Association has passed a resolution asking for the appointment of one member from each of the four districts of Ontario to act in an advisory capacity to the Provincial Hydro Commission with power to pass on capital expenditures on the systems represented. A resolution to this effect has been sent to the Ontario Government.

* * * *

ACCORDING TO Moody's Nation-wide Survey of Public Utility Progress, "the growth of power production has been astonishingly rapid even in recent years; it amounted in 1922 to about 47,700,000,000 kilowatt hours as compared with 25,400,000,000 in 1917 and 11,500,000,000 in 1912 and only about 5,800,000,000 kilowatt hours in 1907." These figures should be illuminating to public ownership enthusiasts who try to create the impression that Ontario would not have been able to do anything with her water power resources without the aid of Sir Adam Beck.

* * * *

THERE WILL be but one opinion throughout Canada that the country has done well to reward in a material way the success of Dr. Banting in the development of insulin. Therein there is promise for others who labor in the interests of humanity when more lucrative careers are open to them. There is a danger, however, that associate workers in these important scientific experiments may be forgotten in following the public example of centreing all attention on a popular idol. History is replete with famous individuals who accomplished no more than others who were never heard of.

"Paying the Piper" Out West

Westerners Have Dual Problem of Financing the Farms and Helping Communities to Meet Bills Promptly —Farmer Now Pledging Courage, Resourcefulness and Hard Work as His Credit Security

By J. H. HODGINS.

Contingent upon the crop! Economic problems of Western Canada are so intimately related to the crop prospects that it naturally becomes paramount in all discussions of economic rehabilitation. Westerners are hopeful and probably no greater amount of confidence was ever placed in the ability of a single crop to bring the West "back to normalcy." Confidence in the near future is chiefly held by those observers of the western trend who incline to the opinion that 1922 restored the agrarian industry to its fundamental strength, and placed the farmer in a position from whence he might again hope to measure definite progress.

The clouds of pessimism have rolled away—if indeed they were not pushed away by the farmers themselves—and they have actually been found to contain the proverbial silver lining. That silver lining is none other than the spirit of individual courage which seems to be inherent in every worthwhile farmer in Western Canada, and after all he is the backbone of the prairie country.

"Just now the only security the average farmer can pledge is his own courage, resourcefulness and hardwork," opines the Saskatoon Star, which at the same time as it illustrates the financial position of the farmers, discloses the hope that is rested upon individualism as a winning influence to-day. It is easy to agree with the Saskatoon paper that "the situation of many Western farmers is very difficult," but it has become increasingly clear of recent weeks that fewer of the West's farmers are as hard-up as they were pictured during the winter months. Many more of them have liquidated their debts than was previously supposed possible, and as a result are well away to a comfortable future. Always, of course, contingent upon the crop!

Financial Problems

Farmer finance is, of course, only one phase of the West's difficulties, but its solution is primary in the ultimate readjustment. The financing difficulties of municipalities is to some extent attributable to the farmers' lack of funds in post-war years. Inability of individuals to meet taxes promptly accumulated municipal embarrassments. Admittedly municipalities were extravagant in the past and the unhappy position of many towns in the West to-day is first of all due to costly indulgence.

The problem of individual agrarians —as well as of governments, municipal, provincial, and federal—seems to be, that, like many a business concern, they built up too great an organization, entailing too heavy an overhead. As with rich food it has caused indigestion. What is the remedy? As the Edmonton Bulletin puts it in discussing the need for retrenchment of public outlays, "the need for cutting expenditures all round could hardly be more convincingly shown," while the Manitoba Free Press stresses that "there is new evidence every day that the country as a whole demands a policy of vigorous retrenchment."

The farmers and the business men of the West who have "gotten down to brass tacks," and in doing so have substantially liquidated cannot quite understand why governments are slow to bring about the lessened expenditures which months ago appeared vital. As an exception, Saskatchewan, according to Regina advices, has reduced its public debt by one million and a half dollars, which the Edmonton Bulletin characterizes as a "real good and lasting service to the people of the province, and an example which it is hoped will be followed elsewhere." We have no concrete knowledge of what Alberta and Manitoba have been able to do. Early in the Bracken regime economies of administration were expected to have a telling effect, but Provincial Treasurer Black, in his budget speech, indicated that legacies from the Norris administration precluded the possibility of immediate retrenchment; with the result that the Manitoba taxpayers' position is unaltered.

Curse of Paternalism

It would be of little avail at this late date to criticize the costly "services" which Western governments have created of recent years. Paternalism in one form or another has been a curse to the West. Increasing recognition of the truth of this is being manifest even to the extent, as expressed by the Moose Jaw Times, that "many Western farmers now curse the day when they were led into extensive borrowing upon their becoming a 'good risk' for the money-lenders."

While, in the final analysis the West's ability to "pay the piper" is contingent upon profitable crops, there are other suggested contributing agencies. Reduced governmental expenditures, long term farm credits, tariff revision, and immigration both of people and capital are held by Western observers to be important allies of the West in its economic recovery. Probably of outstanding consideration is immigration, a subject of sufficient importance to the West to be treated separately.

Then as to the question of broadening the rural credit structure. There can be no denying the determined feeling which exists in the West. "In view of the great importance to agriculture of the adoption of a system of agricultural credits it is desirable that there should be definite assurance that Parliament intends to give the matter early consideration," as the Winnipeg Free Press expresses it.

Supports Col. Maclean

"The financial leaders of the country should realize that they are looked to for co-operation in solving the problem and providing for a serious deficiency in the present credit system of the country," contends the Winnipeg Free Press, which throws itself wholeheartedly to the issue of Col. J. B. Maclean in his insistence that the question of farm credits is "now up to our financiers." The Winnipeg critic stresses that there should be no dilly-dallying by the government or by parliament. "The business interests of other sections of the community always manage to secure fairly prompt attention at Ottawa. Here is a first class business matter affecting the farmers of the Dominion. Just how much concerned Parliament is over the welfare of agriculture will be seen by the expedition or lack of it with which a system of farm credits is worked out."

There are, however, even in the midst of the "embattled farmers" exponents of the view that the agrarian industry can be overly bolstered up through credit machinery.

The Calgary Farm and Ranch Review in a recent article told the Western farmers that much of their troubles came from too great credit facilities, to which, however, the Edmonton Journal retorts that agricultural development would certainly be retarded by undue restriction of credit. "Over-borrowing is still heavy upon the average farmer and his best bet at present is to foreswear borrowing entirely and learn to live and operate on his own resources as far as he is able to do so," emphasizes the Review, which would have the farmer "turn his thoughts and efforts to attaining peace of mind and promoting a cheerful home life, which after all are of vastly greater importance."

The Brandon Sun is convinced that "the plain truth is that the farmer has as much credit as the best business man," and points out that "his problem is not now and had not been for some time a lack of funds to finance his operations; it is a matter of transportation and marketing facilities pure and simple." The Medicine Hat News points out the eagerness of the organized farmers for long term farm credits, but is disposed to question "how much would have to be provided in capital to start such a system." Seemingly the News has immediate misgivings of a state system, for it asks, "would those who borrow meet their obligations as well as those who borrow from a private corporation?" For answer we would refer the Medicine Hat paper to a declaration of Premier Dunning, of Saskatchewan, eighteen months ago, when reporting upon the Saskatchewan Farm Loan Board's returns for 1921, he complained that "generally speaking the Board is not paid first, but is often paid last, provided there is anything left to pay with." A pathetic commentary upon the mental attitude of individuals whom governments "assist."

The C. P. R.'s amortization of land payments plan as recently announced, has met with approval in the West, as a "timely and practical recognition of the difficulties of farming in Western Canada," to quote the Saskatoon Star. The value of the scheme is obvious from the fact that 30,000 Western farmers to-day hold C. P. R. lands.

Tariff Revision

The question of tariff revision, of course, immediately involves one in a nation's politics, but no dicussion of Western economics at this time can be completely divorced from the subject. If there is not a majority opinion in the West in favour of reciprocity with the United States, there is at least a very substantial minority. No prairie farmer believes that any good is served by the erection of a tariff wall between the Dominion and the republic," says the Saskatoon Star, which hastens to blame, "the obscurantists of Eastern Canada" for blocking reciprocity in 1911.

"Canada wants to pull down the barriers and do business," is the way the Edmonton Bulletin expresses its opinion of the latest reciprocity move.

"The country needs revenue and it needs business stability; and in order that these needs may be reasonably met it is necessary that the revision of the tariff should be proceeded with slowly and cautiously," says the Regina Leader.

"The United States is the most logical market for our natural produce and for a considerable volume of our manufactured goods and this market is growing larger and more desirable year by year." This quotation is the keynote of the United Grain Growers' Guide editorial, which may be accepted as an important voice of the organized farmers.

The Edmonton Bulletin finds an occasion for an ironical reference to former opponents of reciprocity of trade with the United States in the fact that America now has two and a half billion dollars invested in Canada. "In the days when reciprocity was proposed Canadians used to be told that if they accepted 'Yankee' dollars for their wheat and beef their patriotism would pine away and die," comments the Edmonton writer, adding, "If there were any such withering influence attached to money coming from the republic, the ties which bind the Dominion to the other British nations would surely be showing signs of shrivelling up by this time; an importation of dangerous currency amounting to a billion and three quarter dollars in five years ought to produce results if the protectionist prophets were right in their forecast. It seems to be in order for our 'anti' friends to explain how it is that Canada is still in the Empire and proud to be there."

Tempered by Test

What is the attitude of the West toward this huge and continually increasing investment of American capital in Canada? The Edmonton Bulletin argues that "it is possible to get too many of the very plentiful 'Yankee' dollars—when they are borrowed." But the Bulletin is not critical of this inflow entirely because it comes from the United States, but because it inclines to the conviction that "the importation of borrowed money should come to a halt." Just how the West is fully to develop without outside capital is not clear. In fact, it is plainly the impossible. The West is far too young a country to be financially independent and Canada is much too young a country to permit the East to assume the task of fully financing the West. Clearly then capital must come from abroad to further our national development.

The Edmonton Bulletin insists that "the cheerful habit of issuing bonds should be given a long rest," which is entirely logical, to a degree. There is no doubt that a cessation of public borrowing, or at least a lessening of public borrowing, will, as the Bulletin argues, "permit the earning capacity of the country to develop strength to carry its present load." But on the other hand, the West must progress, must develop its untouched resources —must therefore spend money to earn more money.

Analysis of the financing problems of the West at this time invariably brings one to the cheering conclusion that the "testing season" has not been without its benefits. The farmer has perhaps suffered as individuals always suffer under severe trial. But the farmer has gone back to work— to another seed time and harvest— soberer, saner, and out of his newly burnished mental attitude will arise an economic era of promise for the nation. All that is needed in the words of the Edmonton Journal is "a due admixture of caution and enterprise." The testing period has equipped the average Westerner for both essentials.

PERSONALS

JOHN F. O'CONNELL, who has been made chairman of the Nova Scotia Tourist Association, is a young business man who has made good in Halifax as a retailer and has had a wide experience in catering to public entertainment in the Maritime Provinces. He made a success as a retailer but always had an interest in theatricals and when Halifax's big theatre, the Academy of Music needed a manager he sold out his business and accepted. After years of successful management of the Academy Mr. O'Connell became associated with Mr. Sullivan, another well-known amusement caterer of Halifax, and the firm became lessees of the Academy, which became the Majestic, and have since carried on with great success. He is described by "The Busy East" as a hustler in whatever he touches and sure to give the province action in the tourist campaign.

GERALD J. PARTINGTON, who died recently at Halifax, N.S. was long associated with mining and mine development and finance in that province. He was a mining engineer and in 1911-12 was president of the Nova Scotia Mining Society. He was associated with those interested in the Halifax street railway and later devoted his attention to mining in which pursuit he was engaged until illness overtook him six years ago. For a number of years Mr. Partington operated the Oxford gold mine in Halifax County as managing director, and later the Dolliver Mountain Mining and Milling Company. He was instrumental in securing the investment of a considerable amount of American capital in the development of Nova Scotian mineral resources. He was born in New York and never relinquished his American citizenship dividing his time between Halifax and United States, having offices in New York and other business interests there.

A. W. AUSTIN, president of the Consumers Gas Company, Toronto, and a director of the Dominion Bank, was in Winnipeg recently and the Tribune recalls that it was he who introduced the first street car system in the Western metropolis. Later the first electric overhead trolly cars in Canada operated in Winnipeg was Mr. Austin's enterprise. The Tribune recalls old times: "Old-timers recall with interest and pleasure those days in the eighties when Winnipeg had the "horse cars," two lines on Main st., extending from the Assiniboine river to the Canadian Pacific railway depot, and one branch line up Portage ave., and thence along Kennedy st. to Broadway. Such things as terminal "Y's" or switches were probably not in existance. When the car arrived at the end of the line, the nags were unhitched, walked around to the other end, rehitched, and so the journeys, which didn't seem so short in those days, went on summer and winter. In the latter season, the cars were transferred from wheels to runners. A goodly supply of clean hay in the bottom, a piping hot stove, and what more could the citizens desire? As Winnipeg climbed to the 25,000, 40,000 and so on marks, the street railway kept apace with the progress of prosperity. Mr. Austin fought many battles, notably when the franchise to the present company was granted. After final adjustments which resulted in a one-company instead of a two-company service prevailing for a time, Mr. Austin moved to Toronto, first having shown Canada what might be expected in later years from electrical development. Mr. Austin's visit west is a combination of business and—if his interest and patronage in golfing in Toronto are an index—of pleasure. He founded the Lambton Golf and Country Club, of which he was president for six years."

Balance of Shares

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One of the most efficiently operated newsprint mills on the continent.

7% Cumulative Preferred Stock

A large portion of these shares having been sold, the balance is offered for immediate subscription.

Preferred Stock Issue (this issue) .... $ 4,000,000
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The Net Assets behind each share of preferred stock are, therefore, equal to over $312 per share. Average earnings on the preferred shares for four years ending August 31st, 1922, were at the rate of over 27%. For eight months from August 31, 1922, to April, 1923, the earnings were at the rate of over 33%.

The capacity was increased 1st March from 65,303 tons per annum to 90,000 tons. The capacity is being further increased (to be ready for operation November 1st), which should still further materially increase the earning capacity.

PRICE: $96.50 PER SHARE (par value $100) YIELDING 7.25%

This Company has a record of TWENTY YEARS OF CONTINUOUS SUCCESSFUL OPERATION, the assets are conservatively valued, the earning record is a good one and should, with the increasing capacity, be still further increased. The management is efficient and the markets excellent.

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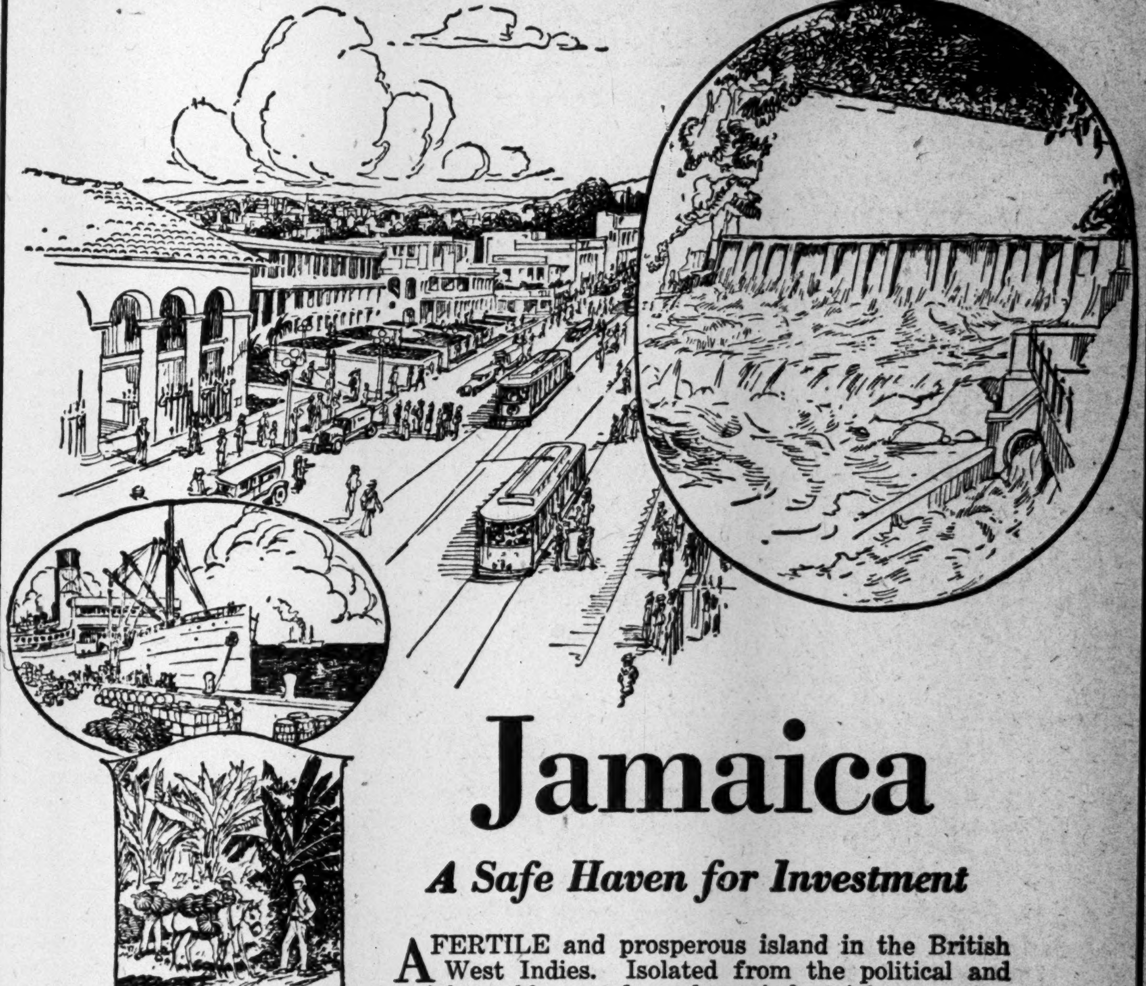

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A FERTILE and prosperous island in the British West Indies. Isolated from the political and social problems of modern industrial countries, invested capital in Jamaica is free from the menaces of radical agitation, socialism and the heavy burden of Government debts.

Devoted largely to agriculture, administered as a Crown Colony by the British Colonial Office, with a public debt not appreciably larger than before the war, Jamaica affords a safe harbour to which the careful investor may turn for diversification.

For a generation, Canadians have invested profitably and securely in public utilities in the British Tropics where they have the advantage of the close financial and commercial connections provided by Canadian shipping and Canadian banks.

We are offering the First Mortgage Bonds, and will shortly offer the Preferred Stock of the principal public utility in Jamaica, serving light, power and transportation to the 120,000 inhabitants of its main seaport, Kingston and suburbs. This company has an earning record of 20 years of stability and growth.

Greenshields & Co

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TORONTO OTTAWA

INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three cent stamp should be enclosed to cover a direct reply.

MONTREAL TRAMWAYS

Reader, Montreal—What is your opinion of Montreal Tramways 5% perpetual debentures at about 80?

The Montreal Tramways perpetual debentures are a good investment and we would not recommend that you sell them. They give a good yield at the price you paid and would be worth holding.

COLUMBUS KIRKLAND

Ontario Merchant.—What are the chances of Columbus Kirkland? How are their finances?

Columbus Kirkland is a pure prospect. The best efforts of the company so far have been put towards selling stock. The opinion seems to prevail that they will not have enough money to carry through on and a new financing and re-organization would result.

NEW YORK LIFE

M. E., Ontario.—Do you consider the New York Life a reliable company? Which would you consider the better investment for a public school teacher, the New York Life or Victory bonds? I would like your opinion regarding it. I feel I would prefer a Canadian company.

The New York Life is a reliable company to insure with. You would do well to put your savings in life insurance and Victory bonds. Both are safe and if you restrict your investments to them you will have little cause for worry. As between the two, however, the point you must decide is whether or not you want to buy insurance.

CLYDE & SISSIBOO

W. A. L., Montreal—Would like your opinion of Clyde & Sissiboo Lumber Co. 20-year 6½% first mortgage bonds. What do you think of a trade of 1934 and 1937, or either of the two, Victory bonds for Clyde & Sissiboo?

If you wish to increase the income from your investments you would be justified in selling your Victory bonds to purchase Clyde & Sissiboo bonds. Of course, you realize that in the one case you have the security of the Dominion of Canada and in the other the security of an industrial company, which, while it is strong and successful, nevertheless, must undergo the hazards of industry. You would probably be able to purchase these bonds on a partial payment plan, but this is a matter for negotiation with the investment house.

FRASER COMPANIES

A L., Fort Fairfield.—Kindly advise me in regard to Fraser Companies 1st mortgage bonds, payable in Canada and New York. Do you consider them absolutely safe in every particular? I am interested in these having sold a large amount and feel that I will be able to dispose of another large block or two if your reply is favorable.

We would not say that any industrial mortgage bond is "absolutely safe in every particular," but the first mortgage bonds of the Fraser Companies, Limited, stand very high. The assets behind the bonds are many times their par value, and the issue is being retired serially in blocks of $200,000 each year, which tends to increase their security. The company has been successful in the pulp field and its net earnings in 1922 were nearly seven times that required to pay interest on this bond issue.

McKENZIE PORCUPINE MINE

Reader, Hagersville—What is your opinion of McKenzie Porcupine Mines?

This is a mining prospect with two properties in the Porcupine mining district. One property of four claims is situated south and east of the Hollinger. Heretofore the outlook for such claims has not been considered the brighest until development on the various properties in the camp has caused a kind of an upset in the geological information. This, and a remodelling of the geology ideas of the Porcupine camp places the McKenzie proposition in a class with those having bright prospects.

Of course, this property is only a prospect, but it is certainly one of promise that merits considerable expenditure of money and exploration work to prove or disprove this new geological theory.

ZENITH COMPANIES

Reader—Can you give me any information as to the Zenith Company, Winnipeg, which has recently gone into liquidation?

Zenith Companies, Inc., was a holding company, with head office in Minneapolis, holding stock in the Union Fire and Casualty Company which went into liquidation some time ago, the Merchants Life & Casualty Company of Minneapolis; and the Merchants Casualty Company, Winnipeg. The latter company has been purchased outright by Waterloo interests from those in charge of the liquidation of the Zenith Companies. We understand the affairs of the Zenith Companies, Inc., are being wound up by a Minneapolis liquidator, whose representative in Winnipeg is the Royal Trust Company. No doubt they will be able to furnish you with a statement.

SOUTHERN CANADA POWER

A. M., Ottawa—I am thinking of buying some Southern Canada Power preferred. Should be glad if you would give me your opinion on the stock and as to how the preferred would stand relative to the new issue. Are they issuing any bonds?

In selling preferred stock to finance its new development at Hemmings Falls, the Southern Canada Power Co. is following what is now the practice among the public utility companies of the continent of financing not entirely by the sale of bonds, but by the sale of preferred or common stock. The earnings record of the company has been most satisfactory and the net profits are growing with the passing months. We would consider the new issue of preferred stock an excellent investment. New shares will rank equally with any shares formerly issued. The company is not offering bonds at the present time, but has outstanding about $4,700,000 of first mortgage bonds which rank ahead of the preferred stock.

FINANCIERS TRUST

E. S., Toronto—Would like your opinion of the Canadian Financiers Trust Company as to whether or not payments should be continued on stock subscribed for.

The Canadian Financiers Trust Company is continuing the conservative policy which has been adopted since 1914, when the concern was left with a considerable quantity of unrealizable securities, which although well placed and of ultimate value, did not contribute to the company's revenue but, on the other hand, constituted a drain in order to keep the taxes and outgoings paid. With steady improvement in business conditions these properties are approaching a time when they should be realized to advantage and in the meantime the company has largely written down the amount at which they stood as assets. The general business of the company apart from its investments shows gradual increase although hardly so rapid perhaps as the shareholders might desire.

There is reason for confidence in the management of the concern, which is being operated under government regulations. We believe that subscribers for stock who can afford to do so should support the proposition in accordance with the original arrangement and thus give it that opportunity for success which is never a matter of certainty in any new enterprise.

PARAGON DISHWASHER

Toronto Banker—A customer of ours has asked that we get some information on Paragon Dishwasher, 475 Spadina Crescent. He has been approached to buy stock and become a director. Could you give us any information about the concern?

This is a concern with an authorized capital of 7,500 shares at par value $100—1500 shares accumulative preferred, and the balance of stock shares are common stock. C. T. Morrison is president, and J. J. Kehoe, vice-president and manager. The company is about one year old. It owns the Canadian patent rights to the Paragon Dishwasher for household use, but has already developed a large machine for various institutions. They claim that they have already placed 200 of their machines in the city of Toronto. The concern was first started by a syndicate, which after having got the thing fairly well started, sold their holdings to the company for $50,000 of the common stock. Since then the same people have subscribed for $11,000 of the preferred stock. So far, little stock has been sold. The company is now operating with about twenty-two employees and turning out about fifteen machines per week. Seemingly the company has got a good product, and the present selling price should give a good margin of profit. The whole thing would seem to depend on the creation of a market.

FELDSPAR MARKETS

Banker, Ont—We have a quantity of Feldspar ore taken over from an insolvent quarrying co'y. for which we are seeking a market. Could you advise us where we might obtain a publication which serves the manufacturing trade using this ore or otherwise assist us in getting into touch with the proper parties?

While Canada, and Ontario in particular, has undoubtedly the finest and best feldspar product in the world, very little effort has been put forth in the past to secure for this its proper position in the world markets. Users of feldspar are much more particular about having a supply of a uniform standard, rather than the fineness of the grade of their supply. This explains why it is so hard for the Canadian product to break into the United States and British markets. There is practically no single publication we could mention that you could use to assist you in your efforts to dispose of this ore. The pottery trade is the largest in the use of this product. The journal of the American Ceramic Society, of New York, is about the only journal which caters to the feldspar industry. We doubt very much if many manufacturers interested in the purchase of feldspar are readers of this journal. It is more technical. We would also suggest that you might write to the Department of Trade & Commerce at Ottawa. They may have some enquiries in regard to feldspar. Some American grinders of feldspar have been in the habit of buying a certain quantity of the raw product in Canada, taking it to the United States for grinding.

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IN addition to being secured by first mortgage on net assets of over three times the amount of bonds outstanding, the bonds are unconditionally guaranteed as to principal, interest and sinking fund by Continental Paper & Bag Mills, of New York—one of the foremost producers on this continent of paper bags and paper specialties.

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WE give as careful attention to the requirements of small investors as to the business of large institutions. Instalment payments arranged if desired.

Royal Securities Corporation, Limited

164 St. James Street
MONTREAL

CURRENT OPINIONS

ONE-MAN BANKING SYSTEM WRONG

Vancouver Sun

The overdue statement from the Union Bank recently, instead of creating a loss of public confidence in that institution, had directly the opposite effect, because of the business-like manner in which the officials came out and acknowledged the bank's loss, and showed the bank's ability to assume the loss without any great financial embarrassment. A combined paid-up capital and reserve of $14,000,000 has been reduced to $9,750,000, the general management has been reorganized and the present directors in no uncertain language say that the future policy and stability of their bank will not again be left in the hands of a general manager with power to imperil the bank's entire assets.

So far as the Union Bank is concerned that is all right, but so far as the Canadian banking system is concerned, that is all wrong. The public will not be satisfied to have its deposits go through another banking crisis.

The one-man system whereby a Macarow, a Shaw, a Montagu Allen or any other general manager has the power to manipulate or juggle large sums of the bank's money, is absolutely wrong. The Canadian public, on the one hand, cannot be refused the facilities obtainable from a system of private banks like that of the United States and at the same time be compelled to expose its bank savings to the manipulations of a single individual under our Canadian system.

Canadian bank directors are appointed, are paid and are expected to direct the operations of their banks in the interests of the Canadian public. If the present banking system is to be maintained those directors must dispense with the one-man management and themselves assume a more direct interest in the bank's affairs.

MEETING CONDITIONS

Manitoba Free Press

The purposes of those who wanted nothing done have been furthered by those who want too much done. The too-impulsive radical is often the involuntary ally of the Conservative. It might be said with truth that the chance, remote at best perhaps, of securing much needed practical reforms was lessened by the prominence given to the advocates of profound changes in our banking system who gave evidence during the first few weeks that the committee sat. This, with the carefully planned publicity given to these representatives, undoubtedly created in the public mind an impression that the opposition in the Banking and Commerce committee to Mr. Fielding's bi-partisan following were out to shatter our Canadian banking system and rebuild it to their hearts' desire. Our banking system is not the sacrosanct thing that its admirers and defenders think it. The next fifty years will see great changes in the machinery by which credit is controlled and distributed. But there is no substantial body of opinion in Canada in favor of experiments and innovations at present. These will come slowly and probably in the form of international agreements in line with the procedure suggested at Genoa. For us the part of wisdom is to keep, for the time being, our banking system as it is and seek to make it more pliable, more workable and better suited to the needs of present-day Canada.

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U.S.A. Now Has Larger Stake in Canada Than Great Britain

(Continued from Page 1)

of public bonds now outstanding and where held are contained in the following table.

Dominion Government Issues

Canada	$1,936,000,000
United States	211,000,000
Great Britain	336,000,000
	$2,483,000,000

Provincial Bond Issues

Canada	$336,500,000
United States	200,000,000
Great Britain	100,000,000
	$626,500,000

Municipal Bond Issues

Canada	$462,000,000
United States	290,000,000
Great Britain	75,000,000
	$827,000,000

Total All Issues

Canada	$2,704,500,000	68.7%
United States	721,000,000	18.5%
United Kingdom	511,000,000	12.8%

U. S. Dominance in Industry

In the field of industry the United States has recently been the important outside source of capital. According to the latest available statistics the United States holds 31 per cent. of the outstanding industrial securities of Canada. In the United Kingdom only 10.3 per cent. are held. In fact there are many Canadian industries that are practically controlled outright in the United States. In the field of automobile manufacture; meat packing; copper smelting; drugs and chemicals; electrical apparatus; rubber boots and shoes; patent and proprietary medicines; paints and varnishes; and some other classifications, the United States capital invested far exceeds either the Canadian or British capital invested. It is now estimated that there are 700 branch factories of American concerns in Canada. The number has greatly grown since the end of the war and more than half of these factories have been established since the Armistice.

Figures of the capital invested in Canadian industries by Great Britain and United States and Canada are contained in the following table:

Canada	$1,591,076,596
U. S. A.	848,455,589
United Kingdom	285,153,175
Other countries	18,535,463

On a Percentage Basis

Canada	58%
United States	31%
United Kingdom	10.3%
Other countries	.7%

It would be interesting to quote some specific calculations to show the change during the war in the ownership of Canadian industries. Complete figures cannot be had but taking nine of the larger Canadian corporations' statistics, compiled by Greenshields & Co., indicate that the British holdings of their shares decreased from 41.7 per cent. before the war to 15.5 per cent. at the present time. In these particular companies the shares sold by British investors returned to Canada chiefly although American holdings increased from 4.9 per cent. to 6.4 per cent.

In the field of railway investment the same thing has been happening. Taking Canadian Pacific Railway as typical, figures indicate that the percentage of Canadian Pacific Railway shares held in the United Kingdom declined from 60 per cent. in 1913 to 47.80 per cent. in 1921. At the same time holdings in the United States increased from 11.5 per cent. to 24.10 per cent. It will be noticed though that the percentage of British holdings of C.P.R. stock is still very high and the percentage perhaps represents the best available guide as to comparative interest of the United States and Canada and Great Britain in Canadian railways. The change to government control has complicated the figures somewhat but while practically all borrowings on account of railways have been in New York since the end of the war the British have still extensive interests in our railways, both publicly and privately owned.

In Canada's mines the United States has again a very much larger interest than the United Kingdom. The United States investors hold 32.36 per cent. of securities of Canadian mines and the United Kingdom investors 15.46 per cent.

Foreign Investments in Canada

Taking all foreign investments in Canada including shares in industrial companies, in banks, private loans, etc., it has been calculated by some economists that before the war Canada had about $3,500,000,000 of foreign capital invested here. Of this total from two billion to two billion and half dollars has generally been credited to Great Britain. At the present time it is estimated by the Bankers Trust Co. of New York that there is $5,250,000,000 invested in Canada. The British investments are believed by the Bankers Trust to be approximately the same. Perhaps this estimate is wrong in assuming that Britain's interest is as large to-day as in 1914. As it is true that Canadians and Americans re-purchased during the past few years many securities held in the British Isles by British investors while there was very little borrowing being done in Britain the actual British investment in Canada probably declined. However the figures form a fairly accurate estimate. It is estimated that the United States has invested in Canada about $2,500,000,000 which means that British and American investments in Canada are nearly equal while foreign countries have only small sums—perhaps $250,000,000—invested in this country. It may be taken as certain that United States interests now have a larger capital stake in Canada than Great Britain. But these figures are only estimates. The figures given earlier in the article of industrial investments, of investments in mining, of specific companies such as C.P.R. and of British and American investments in Canadian public securities are known quantities and as barometers draw our attention to the increasing American ownership of Canadian enterprise and the declining importance of British capital investments in Canada.

Perhaps the next era in world finance may lead to another change. For many years Britain had the control of capital supply for Canada. Then during the war period Canada, by the very rapid development of its natural resources, was able to finance to a large extent at home. Since the war the United States has financed us to a great extent. So much so that it has now a tremendous interest in the ownership of Canada's developed assets.

Big Rents Must Pay High Wages to Builders

The building wage cost in New York City, it is estimated, has been raised $20,000,000 for the next six months, as a result of bonuses and wage increases granted recently to 115,000 workers in the building trade.

The unsupplied housing shortage and the high cost of new building make a corner in rents, which latter is one of the principal items of living expenses. Here, in building, is a trade where demand is bound to keep up because supply is so far behind. Cost of construction is being added to by increasing labor costs, those costs entering also into materials used. The labor supply is short, and immigration, the only source of relief, is shut out. The one outlet is against the consumer, through heavy rent charges, in the opinion of the Bache Review.

NEWS AND VIEWS ABOUT BONDS

LOOK FOR HIGHER PRICES FOR GOOD BONDS NEXT FALL

Dealers Believe Conditions Underlying Recent Rise Are Sound

In spite of falling prices of stocks on the Toronto and New York exchanges, bonds have shown little tendency to weaken. Dealers report a distinct contraction in trading and many private and institutional investors are out of the market on account of the summer season. Shrewd investors do not, however, look for any material drop in prices during the next month or two, and some who have made a study of conditions, look for moderate advances in the Fall. They affirm that there are too many favourable factors to induce any contrary opinion. In the first place large blocks of bonds are at present scarce and there is little prospect of heavy borrowing by governments or municipalities for some time. The difficulties which some have experienced have served as a warning and a tendency toward stricter safeguards for public expenditures is, as a result, in evidence.

On the other hand business sentiment is better owing to the good crop prospects. Part of the indebtedness in Western Canada was paid off last year, and a good crop at fair prices this year would release a great deal of money which has been tied up there for some time. Most of the life insurance companies have written more business to date this year than they did in the corresponding period last year. This means two things. They themselves will have more money for investment and the private man is living more within his means, having more money for investment in life insurance and other forms.

In addition to these factors, it is evident that the English investor is exhibiting a stronger interest in Canadian investments. The foreign holdings of English investors were reduced to a minimum in 1919 and 1920. They showed a marked increase in 1921 and a further increase in 1922. Only the weakness of sterling has held back the flood of English money to this country.

The municipal issues sold during the week drew many bids and were sold at satisfactory prices. Wood, Gundy & Company and A. E. Ames & Company bought an issue of $2,000,000 Province of Alberta 20 year 5 per cent. bonds privately and are offering them at 97.50 to yield approximately 5.20 per cent.

The City of Sherbrooke, Que., sold an issue of $255,000 thirty year serial bonds bearing interest at 5 per cent. to Matthews & Company at 96.51. The tenders received were:

Matthews & Co.	96.509
McLeod, Young, Weir & Co.	95.36
Credit Canadien	95.21
Wood, Gundy & Co.	95.17
C. H. Burgess & Co.	95.07
Macneill, Graham & Co.	95.07
Murray & Co., Bain, Snowball & Company	94.88
Dominion Securities Corp.	94.07
Hanson Bros.	93.21

The tender of 98 made by Rene T. Leclerc, Inc., for $133,500, 5½ per cent. 30 year bonds of the City of Joliette, Que., was accepted. Tenders were called for this issue on four different alternatives, and the following tenders were received:

	10-yr. 5 per cent	30-yr. 5 per cent	10-yr. 5½ per cent	30-yr. 5½ per cent
Rene T. Leclerc, Inc.	94	90.50	98.50	98
L. G. Beaubien & Co.			99.10	
Credit Canadien Inc.	94.35	89.33	98.11	96.45
Versailles Vidricaire & Boulais			99.12	
Corporation des Obligat'ns Municipales	94.73	90.39	99.37	97.89

An issue of $182,750 City of Belleville bonds was sold to Aemilius Jarvis & Company at 96.812. The bonds were 20 and 30 instalments, and 15 year serial bearing interest at 5 per cent. At the price paid the money costs the city 5.30 per cent. The bids were:

A. Jarvis & Co.	96.812
Gairdner, Clarke & Co.	67.74
Naional City Co.	96.61
Wood, Gundy & Co.	96.56
Matthews & Co.	96.297
McLeod, Young, Weir & Co.	96.23
A. E. Ames & Co.	96.196
W. A. Mackenzie & Co.	96.064
Municipal Bankers Corp.	95.84
Dyment, Anderson & Co.	95.67
Bell, Gouinlock & Co.	95.62
Nesbitt, Thomson & Co.	95.534
Bain, Snowball & Co.	95.496
Dominion Securities Corp.	95.451
Macneill, Graham & Co.	95.44
C. H. Burgess & Co.	95.354

The City of Shawinigan Falls issue of $75,000 of 5½ per cent. serial bonds was awarded to McLeod, Young, Weir & Co., Ltd., at 99.57. The tenders were:

McLeod, Young, Weir & Co.	99.57
Credit Anglo-Francaise	99.12
Versailles, Vidricaire & Boulais	99.05
Corp. des Obligations Mun'pales	99.01
Rene T. Leclerc, Inc.	98.62
L. G. Beaubien & Co.	98.56
Credit Canadien, Inc.	97.31

An issue of 5½ per cent. twenty-instalment debentures of the town of Midland, amounting to $56,000 has been awarded to the Municipal Bankers' Corporation. At the accepted price of 101.03, the money is costing the municipality approximately 5 3-8 per cent. The bids received were:

Municipal Bankers' Corp.	101.03
Wood, Gundy & Co.	100.93

JUNE BOND SALES

Bond sales during the month of June amounted to $41,216,162. Of this total $26,216,162 was raised in Canada, and $15,000,000 in the United States. For the six months ending with June the sales amounted to $194,973,559. The record for June and for the six months is as follows:

JUNE BOND SALES

Municipal	$ 4,671,662
Provincial	25,964,500
Corporation	10,580,000
Total for June	$41,216,162

Where Sold

In Canada—	
Municipal	$ 4,671,662
Provincial	10,964,500
Corporation	10,580,000
	$26,216,162
In United States—	
Provincial	$15,000,000

Year to Date

January	$37,890,162
February	51,759,746
March	23,609,657
April	18,218,469
May	22,279,363
June	41,216,162
	$194,973,559

Bain, Snowball & Co.	100.653
A. E. Ames & Co.	100.59
C. H. Burgess & Co.	100.53
Macneill, Graham & Co.	100.41
Gairdner, Clarke & Co.	100.371
W. C. Brent & Co.	100.34
Nesbitt, Thompson & Co.	100.27
Dyment, Anderson & Co.	100.05

Matthews & Company purchased an issue of $16,500, Town of Elmira 5½ per cent. 20 year instalment bonds at 100.50, yielding 5.43 per cent. The tenders were:

Matthews & Co.	100.56
A. E. Ames & Co.	100.23
Macneill, Graham & Co.	100.15
Municipal Bankers' Corp	100.10
Wood, Gundy & Co.	99.85
Gairdner, Clarke & Co.	99.73
C. H. Burgess & Co.	99.62
W. A. Mackenzie & Co.	99.395
Dyment, Anderson & Co.	99.23
Mackay-Mackay	98.50

An issue of town of Orillia bonds, amounting to $99,493, bearing interest at 5½ and 6 per cent., and repayable in 20 annual instalments, has been awarded to Wood, Gundy & Co. At the purchase price of 101.87, the money is costing the municipality 5⅝ per cent. The bids were:

Wood, Gundy & Co.	101.87
Macneill, Graham & Co.	101.71
Gairdner, Clarke & Co.	101.57
Matthews & Co.	101.558
Municipal Bankers Corp.	101.27
C. H. Burgess & Co.	101.07
A. E. Ames & Co.	100.79
Dominion Securities Corp.	100.31

C. H. Burgess & Co. were awarded the issue of $19,043, 6 per cent. 20-year serial bonds of the town of Hawkesbury, Ont., at a price of 101.13. The town is paying 5.86 per cent. for its money. The tenders were:

C. H. Burgess & Co.	101.13
Versailles, Vidricaire	100.

CANNOT TAX SHARES AT THE HEAD OFFICE

Quebec Province Denied Right to Collect Inheritance Tax on Nova Scotia Estate

From Our Own Correspondent

MONTREAL.—The action of the Supreme Court of Canada in the Nova Scotia-Quebec succession duty case has settled an important point in inheritance tax procedure that is of interest to business men.

The case arose out of the estate of Wiley Smith, a resident of Halifax, who died some time ago leaving a large estate which included 2,000 shares of stock of the Royal Bank of Canada. The stock was registered on the Halifax registry of the bank. For this reason the province of Nova Scotia declared that this stock was locally situated in the province of Nova Scotia and proceeded to tax it under its succession duties laws and collected $24,281 on this account. But the province of Quebec, on the ground that the head office of the Royal Bank of Canada is in Montreal, maintained that the assets of the stock must be considered as situated in Quebec and demanded succession duties to the extent of $25,680. Quebec Court of Appeals held the estate liable to pay the succession duties and appeal was taken from this judgment to the Supreme Court of Canada.

The judgment of the Supreme Court in denying the province of Quebec the right to claim succession duties on the shares is in line with its former judgment which had awarded succession duties to the province of Nova Scotia. It holds that the Royal Bank shares on the Halifax register are not actually situated in the province of Quebec in the meaning of the Quebec succession duty law, notwithstanding that the bank's head office is in Montreal.

TORONTO WIDOW LOSES IN STOCKS

Broker Receives List of Investments Now Worth Fraction of Purchase Price

In spite of warnings on all sides against the unscrupulous promoter and the wide publicity given failures which have engulfed millions of the small investors' money, many who are inexperienced in investing, especially women, are led into unwise investments. A Toronto investment banker recently sold some securities to a widow on the understanding that her holdings at the time would be turned in at their market value in part payment. When these were received they were found to be worth only a small fraction of what had been paid for them. The list was made up of a number of securities. First were $200 of bonds of a cement company, which on investigation was found to have gone into liquidation seven years previous. Next were 126 shares of a rubber company, which now have a market value of practically one-twentieth that paid for them. In connection with this holding it may be said that the widow sold a security which is regarded highly in financial circles to make the purchase. Another holding was 210 shares of a supposed Texas oil company. Enquiry among reliable oil men in that field elicited the information that the company was never heard of there. The next security was ten shares in a company engaged in the woollen industry and which is now being liquidated. The final item consisted of 75 shares of stock in a second mortgage company.

The greater part of the group did not represent even a reasonable speculation for a business man, who is in a position to judge conditions and watch the fortunes of the company concerned. None of the securities in the list are satisfactory investments for a small investor or a widow as they lack security, salability, and for the most part, reasonable returns.

ISSUE $15,000,000 EQUIPMENT BONDS

C.N.R. to Borrow Shortly—Government Policy Reversed on Guarantees

From Our Own Correspondent

MONTREAL.—An issue of $15,000,000 of equipment bonds of the Canadian National Railways, guaranteed by the Dominion Government, is likely to be made almost at once. In the discussion on the bill to authorize government guarantees of equipment bonds, Hon. W. S. Fielding intimated that such an issue was ready for flotation as soon as Parliament gave the necessary authority for the guarantee. This was given before the session closed.

The policy of giving the government guarantee to C. N. R. equipment bonds is a reversal of the policy announced some time ago by the Minister of Railways who said that the government would make the C. N. R. issues stand on their own feet. But the desire to borrow cheaply has brought the government guarantee into force. Mr. Fielding said last week: "The bonds had better be guaranteed and command a good price in the market than be sold at a sacrifice." If the bonds were not guaranteed, he said, the C. N. R. would have to issue them on its own credit.

Soon to Offer Bonds of Manitoba Paper Co.

From Our Own Correspondent

MONTREAL. — Negotiations are still proceeding and are likely to be completed very shortly for the financing of the Manitoba Pulp and Paper Company. This organization, of which J. D. McArthur of Winnipeg is the head, plans a modern paper mill of large capacity near Winnipeg. A grant of 780 square miles of pulp forest east of Winnipeg was made to the company in 1921 conditional upon the expenditure of $1,500,000 on the plant within three years. The mill will, however, cost much more than that.

Two Montreal investment houses will probably join in offering the bonds of the new company and an issue of preferred stock may also be arranged.

REDEEMS TORONTO BONDS

Finance Commissioner G. H. Ross, of Toronto, has reduced Toronto's debt by $2,425,085 by careful operation of the sinking fund surplus earnings. This means a saving of $185,167 in yearly taxes, or one-quarter mill for some years to come. In 1921 Mr. Ross made a reduction of $1,082,804, in each case redeeming bonds issued for non-revenue producing activities. The city has now sinking fund debentures out to a total of $77,500,000, with an accumulated reserve of $28,500,000.

BOND MOVEMENTS OF THE WEEK

Week Ending July 3

BONDS—	Int. Rate	Due Year	Yield	Range High	1922 Low	Range 1923 High	Range 1923 Low	Latest Price Ask	Latest Price Bid	Week High	End Low
Canada Bread	6	1941	6.01	99	88½	100	96	99¾	99½	99¾	99
Canada Car	6	1939	6.00	101	95	100	99	99	—	100	—
Can. Cement	6	1929	5.51	100½	94	102½	100	—	101	102½	102
Dominion Iron	5	1929	6.53	94	82½	93¾	92	93	91	93	92
Lyall Cons.	6	1932	7.01	85	75	97	85	94	—	93	—
Montreal Trams	5	1941	5.77	93½	87½	92½	89¼	90⅞	—	91¼	90⅞
Ogilvie (C)	6	1932	5.58	102½	100	103	102	—	102½	103	—
Quebec Railway	5	1939	7.31	87¼	65½	82	69	—	77½	79¼	78
Wayagamack	6	1951	7.15	88¾	71¾	86¾	80½	86	—	86	—
Winnipeg Electric	5	1935	6.60	92	88¾	94½	86½	86½	—	86½	—
War Loan	5	1925	4.70	96.30	96.10	100.90	99.10	100.95	100.85	100.80	100.50
Do.	5	1931	4.75	99.60	96.25	101.80	99.80	101.65	101.55	101.65	101.40
Do.	5	1937	4.75	101.50	99.50	103.30	102.00	102.65	102.55	102.60	102.45
Victory Loan	5½	1923	4.18	100.70	98.75	100.95	100.25	100.70	100.60	100.65	100.40
Do.	5½	1924	4.98	100.75	98.00	101.40	100.25	100.80	100.70	100.85	100.50
Do.	5½	1927	4.68	102.70	99.75	103.50	102.35	103.40	103.30	103.50	103.05
Do.	5½	1933	4.81	104.35	101.25	106.70	104.40	105.70	105.60	105.60	105.45
Do.	5½	1934	5.10	101.35	98.80	103.90	101.30	103.35	103.25	103.65	103.30
Do.	5½	1937	4.75	106.25	103.00	108.40	106.50	107.95	107.85	108.05	107.75
Do., Renewal	5½	1927	5.08	101.10	99.40	102.80	101.00	102.20	102.00	101.75	101.50
Do., Renewal	5½	1932	5.12	101.10	99.70	103.00	101.00	102.75	102.65	102.70	102.00

TOWN of SUDBURY

5½%
Debentures
Maturing 22nd May 1924-1943
PRICE: Rate and accrued interest, to yield 5⅝%

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We Offer
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PRICE:
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MONTREAL

CIVIC AND PROVINCIAL FINANCE

MUNICIPAL REPORT OF SASKATCHEWAN HIGHLY COMMENDED

Many Municipalities Adopt Standard Form For Giving Information

In considering the question of securing adequate information on the affairs of municipalities, the report prepared by Mackenzie Williams for the Bond Dealers' Convention at Winnipeg offers some constructive suggestions. Speaking of the part of the Bond Dealers' Association in this, he says:

"Municipalities from coast to coast, as stated above, have become familiar with the standard form. During the past year in sending out this standard form to the municipalities the experiment has been tried of imprinting the words in bold face type and in red ink 'This is the Standard Statistical Form Adopted by the Bond Dealers' Association of Canada.' The forms have been sent to the municipalities in duplicate with the request that one be returned and the suggestion that, as many other similar requests would likely be received, the duplicate would simplify the work and preparation of further reports. The suggestion was further made that if such a form were adopted and used in the annual report of the municipality it would undoubtedly save a lot of work for municipal officials throughout the year.

"In the current reports just coming to hand there have been a surprising number of municipalities which have adopted this suggestion. Once a considerable number of municipalities had adopted the form, a substantial number of others would follow especially the larger or issuing municipalities in which the investing public are most interested."

The report emphasizes the obligation of the municipalities to keep the bond dealers informed of their affairs, as it is through them that the public is induced to supply a large part of the money to finance municipal undertakings. It suggested that tenders for bonds be accompanied by a stipulation that the usual standard financial particulars be supplied them on behalf of the purchasers from time to time as desired.

He commended the report made in Saskatchewan in these words:

"One of the most noteworthy advances in the matter of municipal statistics for many years has been made during the past year when the Province of Saskatchewan issued its new report in connection with municipalities of that province. Anyone who has not received a copy of that report should procure one and go through it carefully. Every phase of municipal finance is considered in connection with all the municipalities of that province. The individual reports are then further considered as a whole and analysed. These analyses are copiously illustrated by a large number of graphs which occupy about one-quarter of the publication. The information for this report is obtained by the Department of Municipal Affairs which sends out a standard questionnaire. This the municipalities are required to fill out and return promptly.

"Such a report will be of the utmost possible value to the municipalities of the province in studying their own affairs and the fact that they must report promptly each year will go a long way in the development of careful consideration of municipal matters. In addition, the many public bodies now desiring municipal information have available a comprehensive official report which can be studied from their desired angle."

The reports of some other provinces he condemned as limited in their application and antiquated in the data presented. To overcome this he suggested that the Association might urge the desirability of the adoption of such a report as that of Saskatchewan by all the provinces, and in this respect might act in conjunction or simultaneously with some of the numerous other bodies interested in municipal statistics in making such representations.

Speaking of the advances made by the Dominion Bureau of Statistics in standardizing the vital statistics of the provinces, the report estimates that similar advances may be effected in respect of municipal finances. It said:

"In the same way provincial financial reports and financial statistics have been attacked and, as a result, provincial data is now supplied to the Bureau in a way which permits the preparation of comparative data which could not possibly be accomplished by the layman or indeed the specialist using the individual annual reports of the provinces as a source of information. Some of this data now appears annually in the Dominion of Canada Year Book. Much, however, is not published but is available to anyone interested on request."

Bonds Were Retired by New Westminster

Special Correspondent.

NEW WESTMINISTER.—Of the $500,000 five year bond issue of this city due the 1st of July, only $425,700 were left to retire, the balance having been bought in by the city from time to time. No further financing was required to retire this issue, the Royal Trust Company having sold last year the long term bonds held by them as collateral.

Debt Removal Big Problem of West

LONDON.—E. S. Little, of Robinson Little Co., has returned after an extensive trip in the West. Optimism is general, and the fine crop prospects indicate prosperity and industrial revival, if they materialize. The municipalities are burdened with debt through the war, and much ingenuity will have to be shown in overcoming it. The people of B. C. are eminently pleased with their government liquor regulation, which follows practically the same method as Quebec.

CALGARY TO REDUCE DEPARTMENTAL COSTS

Research Institute Shows Way to Save $25,000—Will Make Further Investigation

The rapid rise of the costs of administering government departments, federal, provincial and municipal, with the consequent increases in the taxes levied, has turned the attention of many thoughtful citizens to seeking means of economizing in expenditure. To this end a number of municipalities have employed the Citizens' Research Institute to make a survey of local conditions.

Such a survey has recently been made by the Institute in the city of Calgary. The report, now made public, indicates definite means of saving thousands of dollars.

The survey of the public works department proved positively that because of the failure to enact and enforce sane regulations with regard to refuse collection, the taxpayers of the city were called upon to pay $25,000 a year which was avoidable. In addition to this there were other phases of the matter on which the saving could not be estimated. By unsatisfactory regulations regarding garbage collection and failure to enforce those already enacted, there have been additional costs in connection with street cleaning, costs of public health and the cost of fire protection, and all this through lax and unenforced regulations governing the collection of garbage.

It is estimated that the cost of refuse collection in the city will be 1.15 per capita this year and the Institute report indicates that this can be reduced to 80 cents with a more satisfactory service by amending the by-law and enforcing it. In all, thirteen recommendations were made in regard to the public works department and a further report is being drafted.

To other municipalities the services of the Institute are available to carry out surveys covering either the affairs as a whole or any particular phase of municipal administration. The Institute is supported by public subscription and any work undertaken by it is done at cost.

Automobiles Help Suburban Building

One of the results of the increased use of automobiles is extensive suburban building, according to the Canadian Bank of Commerce. On the outskirts of the chief cities of the Dominion a large number of moderately priced houses is being erected, for occupation by the owners. During May, the construction contracts awarded in Canada amounted to $40,000,000, as compared with $35,000,000 in May, 1922. Of this year's total residences accounted for 36 per cent., or $14,900,000. There has also been increased activity in the construction of business premises, the contracts awarded for this purpose during May amounting to $8,500,000, and for factories to $3,700,000. There has also been a slightly increased activity in the construction of public works and utilities. During the first five months of the current year the building contracts awarded amounted to $115,000,000, as compared with $96,000,000 in 1922 and $85,000,000 in 1921. Of the 1923 total Ontario accounts for $63,000,0000, Quebec for $33,000,000, and the western provinces for $17,000,000. The activity is most pronounced in Quebec. In Ontario and British Columbia construction is more active than during the first five months of last year, but in the prairie and maritime provinces the volume of construction is less.

AMERICANS IN CANADA

It is estimated by the Canadian Pacific Railway that there are approximately one million people in Canada who were born in the United States, or about twelve per cent. of the Dominion population. Most of these are to be found on farms in the Western Provinces. Nearly one hundred million acres of Western Canadian land has been settled by homesteading, and citizens of the United States have accounted for thirty per cent. of such settlement as against twenty per cent. on the part of British. In addition, United States citizens are each year the heaviest purchasers of privately held and improved lands and farms.

CANADIAN CITIES SHOWN UP IN BAD LIGHT BY BUREAU

Figures Circulated to Show That Debts Are Highest on Continent

From Our Own Correspondent.

MONTREAL. — From the Detroit Bureau of Municipal Research emanates another of its periodical commentaries on the indebtedness of the leading cities of the continent. The document has a distinct interest for Canada in that it shows Toronto and Montreal in the order named, to have the first and second highest debts per capita of any of the thirty or forty largest cities of the continent. The figures are being widely quoted in American bond and investment papers and assuredly will have the effect of putting the Canadian cities in a very unfavorable light.

The figures are as at January 1 last in each case. Toronto is shown as having a net per capita debt of $217.46. Montreal comes second on the list with a net per capita debt of $208.36. Taking some cities of between 500,000 and 750,000 population which would compare with Montreal and Toronto we have the following figures:

Toronto	145,087,579
Montreal	208.36
San Francisco	134.72
Bostcn	126,640,551
Baltimore	108.89
Pittsburgh	93.03
Buffalo	91.16

Public Utility Debts

It has already been pointed out on numerous occasions when similar comparisons have been made that the figures are unfair because they do not consider the revenue-producing debts of Canadian cities. The net debts referred to in the Detroit bureau's documents are the gross debts less total sinking funds on hand. Canadian cities in compiling their net debts do not include bonds issued for revenue-producing purposes, such as street railway bonds, waterworks bonds, etc. Were figures compiled in the case of all the cities on this basis, the Canadian cities would still rank among the cities with high per capita debts but they would not be the first and second by any means.

Toronto has invested more money in public utilities than any other city on the continent with the exception of New York, which does not indicate its public utility debts separately but which may be taken to have a higher investment in such than Toronto. Its water system alone would probably represent a larger investment than all of Toronto utilities together. Toronto has $64,458,263 invested in public utilities; as against $58,763,836 for Philadelphia with nearly 2,000,000 people; $43,089,114 for Detroit with a million; and $40,908,100 for San Francisco with half a million. All of the other cities rank well below these totals. Toronto and Montreal have both invested more heavily in schools than the average American city, only four American cities having higher school debts than the two Canadian centres.

Comparing Gross Debts

From the standpoint of total gross debts, New York and Philadelphia are the only two cities on the continent that have a larger gross debt than Toronto. The gross debts of leading cities are as follows:

New York	$1,730,160,385
Phillade!phia	250,165,550
Toronto	145,087,529
Montreal	142,717,121
Detroit	142,159,930
Breton	126,640,551
Cleveland	123,101,524
Baltimore	117,427,879
Chicago	113,353,800

WETASKIWIN REPORT

A recent report of Wetaskiwin, Alberta, shows its assessment as $2,729,280, not including exemptions of $523,403, and the tax rate as 48.1 mills, including the school tax of 17.1 mills. The total debenture debt is now $403,627.25. During 1922 the total receipts were $96,688.79, and the expenditure $75,851.78 on current account. The estimated population in 1922 was 2500, as compared with 2411 in 1911.

Tenders and By-Laws

TENDERS WANTED

July 7, Toronto Township.—$16,000, 5½%, 20-instal. school debentures. J. R. Kennedy, Township Clerk, Dixie.

July 10, Uxbridge.—$75,000, 5½%, 30-year school debentures. Wm. Hamilton, Treasurer.

July 21, Prince Rupert.—$78,500, 6%, 15 and 27-year bonds, payable in Canada and New York. D. J. Matheson, Treasurer.

July 16, Grande Baie, Que.—$70,000, 6%, 30-ins. debentures. F. Bergeron, Sec.-Treasurer.

July 10, Terrebonne County, Que.—$51,000, 5½%, 10-year debentures. J. V. Leonard, Sec.-Treas., St. Jerome.

July 7, Springhill, N.S.—$25,000, 5½%, school debentures. D. McLeod, Clerk and Treasurer.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
June 28	Shawinigan Falls	McLeod, Young, Weir, Toronto	5½%	Serial	$75,000	99.57	...
June 30	Midland	Municipal Bankers Corp., Toronto.	5½%	20-ins	56,000	101.03	5⅜
June 28	Joliette	Rene-T. Leclerc, Inc., Montreal	5½%	30-yr.	133,500	98.00	...
June 27	Hawkesbury	C. H. Burgess & Co., Toronto	6 %	20-yr. ser.	19,043	....	...
June 30	Belleville	Aemilius Jarvis & Co., Toronto	5 %	20 & 30 ins.	182,750	96,812	5.30
July 3	Elmira	R. C. Matthews & Co., Toronto	5½%	20-ins.	16,500	100.56	5.43
July 3	Sherbrooke	R. C. Matthews & Co., Toronto	5 %	30-yr. ser.	255,000	96.51	...
July 3	Orillia	Wood, Gundy & Co., Toronto	5½ & 6%	20-ins.	99.493	101.87	5⅜
	PROVINCIAL						
June ..	Alberta	Wood, Gundy and A. E. Ames	5 %	20-yr.	2,000,000	....	...
	CORPORATION						
June 28	Home Appliances Mfg.	Northwestern Trust, Winnipeg	8 %	10-yr.	50,000	....	...
June 28	Can. Property Co.	S. W. Straus & Co., Toronto		2 to 20 yrs.	1,300,000	....	.

THE NEW CINCINNATUS

(Mr. Baldwin lately declared it was his one ambition to retire to the country and keep pigs.)

It was, it seems, your one desire
To play the part of country squire;
To spend the evening of your days
In watching "piggy" and his ways.

But to your everlasting honor
You stepped into the place of Bonar,
Resigning at your country's call
The lure of leisure—pigs and all.
And yet you have not said good-bye
To all the pleasures of the stye:
The Bolshie members, never fear,
Will reproduce the atmosphere.

—The Morning Post

Millions Lost

Millions of dollars are lost annually through the purchase of unsound investments.

This is due to either misplaced confidence or to the desire to obtain abnormal rates of interest on one's money.

If investors would regularly seek the advice of reliable investment houses, this enormous loss would be reduced to a minimum.

The National City Company
Limited
112 St. James St. MONTREAL — 10 King St. E. TORONTO — Central Chambers OTTAWA — 111 Mountain Hill QUEBEC
New York Chicago San Francisco London Paris Geneva Tokio

McDougall & Cowans
Members of the Montreal Stock Exchange
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Direct Private Wire to all Branches and New York

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MEMBERS TORONTO STOCK EXCHANGE
10-12 King Street East
TORONTO
HAMILTON BRANTFORD KITCHENER OSHAWA
Private wires connecting all offices with Montreal and New York

For the Investment of July Funds

Government and Municipal Bonds

Security	Due			Price	Yield
CITY OF BRANTFORD 4% Bonds	Dec.	31,	1949	83.79	5⅛%
CITY OF TORONTO 6% Bonds	June	1,	1944	11.015	5.20%
CITY OF TORONTO 6% Bonds	July	1,	1932	105.94	5.20%
TOWN OF DUNDAS 5½% Bonds	Sept.	1,	1950	104.36	5.20%
CITY OF WINDSOR 5½% Bonds	Nov.	1,	1924	100.36	5.25%
CITY OF WINDSOR 5½% Bonds	Mar.	1,	1939	102.14	5.30%
PROVINCE OF ALBERTA, 6% Bonds	Jan.	15.	1936	106.34	5.30%
TWP. OF YORK 6% Bonds	May	2,	1930	103.75	5.35%
PORT COLBORNE 5½% Bonds	Nov.	15,	1939	101.65	5.35%
CITY OF BRANDON 5½% Bonds	Sept.	1,	1939	98.93	5.60%
CITY OF EDMONTON 5½% Bonds	May	1,	1953	98.55	5.60%
CITY OF EDMONTON 4½% Bonds	June	1,	1929	94.22	5.65%
CITY OF EDMONTON 4½% Bonds	April	1,	1932	91.97	5.65%
CITY OF EDMONTON 5% Bonds	April	1,	1933	95.08	5.65%
CITY OF EDMONTON 5% Bonds	Aug.	1,	1933	94.90	5.65%
CITY OF EDMONTON 5% Bonds	Dec.	1,	1933	94.90	5.65%
BRANDON SCHOOL DISTRICT 5½% Bonds	June	1,	1950	97.28	5.70%
SASKATOON SCHOOL DISTRICT 4½% Bonds	Aug.	1,	1941	85.88	5.75%

Corporation Bonds

You can increase your income with safety by buying some of the following seasoned and carefully selected corporation bonds:

Security	Due			Price	Yield
CANADIAN LOCOMOTIVE COMPANY, LTD., 6% Bonds	July	1,	1951	100.50	5.94%
CHARLES WALMSLEY & COMPANY (Canada), LTD., 6% Bonds	Feb.	1,	1943	97.25	6¼%
P. BURNS & COMPANY, LTD., 6½% Bonds	Jan.	1,	1943	100.00	6½%
JAMAICA PUBLIC SERVICE COMPANY, LTD., 6½% Bonds	July	1,	1943	100.0	6½%
DRUMMOND INVESTMENT COMPANY, LTD., 6½% Bonds	May	1,	1938	99.00	6.60%

We will gladly forward you a complete list of offerings on request.

McLEOD, YOUNG, WEIR & Co.
Limited
TORONTO 23 JORDAN ST. — MONTREAL 40 HOSPITAL ST.

We recommend for Investment
Belgo Canadian Paper Company Limited
7%
Preferred Stock
at 96.50 to yield 7¼%
ASSETS: Over $300 of equity for each $100 share.
EARNINGS: Since 1919—4 times more than required for Preferred Stock Dividends.
Send for Prospectus
RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)
77

DOMINION STORES, LTD.
8% Cumulative Class "A" Preferred Shares.
Price: 100.00, Carrying a 25% Bonus of Common Stock.
This company is the largest retail distributor of groceries in Canada operating 240 stores.
Plans call for over 25 additional new stores in 1923.
Sales in 1922 increased over 47 per cent. and earnings over 72 per cent.
Dividends paid regularly on preferred shares, and common now paying $1.00 per year.
Chain stores have proven an exceptionally profitable investment, and we strongly recommend these securities.
A special circular we have prepared will be mailed upon request.
HOUSSER WOOD & CO.
INVESTMENT BANKERS
10-12 KING ST. E. TORONTO

WHALEN
Preferred and Common
Bought Sold Quoted
BALFOUR, WHITE & CO.
LIMITED
Investment Bankers
Yorkshire Building, Montreal

BURNETT PORTEOUS & COMPANY
Members
Montreal Stock Exchange
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MONTREAL

MURRAY & COMPANY
Specializing in
Government, Municipal and Corporation Bonds
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A diversified list of
INVESTMENT SECURITIES
High-grade
Government, Municipal and Industrial Bonds
Yield from 5¼ per cent. to 8 per cent.
Write for our selected list of recommendations.
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The Leading Life Company of the Dominion

Assurances in Force $630,000,000
Assets - - - $170,000,000

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Established 1869
BOARD OF DIRECTORS
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L. J. BREITHAUPT, Kitchener.
GEO. PATTINSON, Preston, Ont.
W. G. WATSON, Toronto.
SIR LOMER GOUIN, Minister of Justice.
MAJOR-GEN. HON. S. C. MEWBURN, K.C., Hamilton, Ont.
VINCENT MASSEY, Toronto, Ont.
LOUIS LA COURSE LANG, Kitchener.
OFFICERS
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W. H. SOMERVILLE, A.I.A., Assistant General Manager.
H. M. COOK, A.I.A., F.A.S., Secretary.
A. E. PEQUEGNAT, A.I.A., F.A.S, Comptroller.
J. F. HONSBERGER, M.D., and J. M. LIVINGSTON, M.D., Medical Directors.
M. S. HALLMAN, A.I.A., F.A.S., Actuary.
J. M. LAING, A.I.A., F.A.S, Associate Actuary.
G. J. A. REANY, Supt. of Agencies.
SIMS, BRAY & McINTOSH, Solicitors.
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SQUARE DEAL

Our "Square Deal" Contract will appeal to you with compelling force—one contract only—no middlemen—new and saleable "Coupon Savings" Policies. For particulars of the "Square Deal" Contract and available Territory, communicate with the Managing Director.

The NORTHERN LIFE ASSURANCE CO.
Home Office - London, Canada

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$78,000,000.00
Policies Issued from $500 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — G. R. COTTRELLE, Treasurer

THE MACCABEES
Over $170,000,000.00 Life Insurance in Force on Legal Reserve Basis.
Over $140,000,000.00 Paid to Members and Beneficiaries.
Issued Policies on 6 Plans, $500.00 to $10,000.00. Cash Surrender, Paid-Up and Extended Insurance Values.
Liberal contract for good organizer for City of Toronto.
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Shrewd Financiers

recognize the value of Life Insurance as a protection for their Investments and Business Interests.

The Dominion Life

a well-established, strong, progressive Canadian Company issues policies to meet every need.

Head Office
WATERLOO, ONTARIO

Your Summer Vacation

can be made free from worry in regard to business which might otherwise be neglected, by appointing this Company to act as your Agent during your absence. We will be pleased to be commissioned to collect your rentals, or other moneys, make payments of taxes, etc., submitting statement of all transactions.

Correspondence and enquiries invited.

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A. B. Campbell, W.S.

Manager, Ontario Branch:
A. E. Hessin.

THE CANADA PERMANENT TRUST Co
Paid-up Capital One Million Dollars
Toronto Street, Toronto.

INSURANCE FOR BUYER AND SELLER

BENEFICIARY FOR VALUE IS AWARDED INSURANCE MONEY

Careless Drawing of Insurance Results in Legal Actions

In spite of the large volume of life insurance now in force and the consequent widening of the public's knowledge of its principles, difficulty over beneficiaries continues. This is partly due to the complex nature of the legal provisions applying in the different provinces; but to a large extent it is the fault of those selling insurance. Only a moderate number of agents are familiar with the provisions governing the change of beneficiaries and it is doubtful if many of them explain the restrictions to those insured by them.

During the past year some disputes found an outlet in legal action. The case of Downs versus Manufacturers Life Insurance Company was tried in the Alberta Supreme Court and the judgment was:

Under the provisions of the Life Insurance Beneficiaries Act, Alta., Stats. 1916 ch, 25, sec. 14, letters of guardianship issued by a Court do not entitle the guardian to receive payment of insurance moneys to which the infants are entitled, the object of the section being to commit such moneys to the supervision of the Supreme Court of Equity. The proper procedure where there is no competent person to receive such moneys is to make an application to a Judge of the Supreme Court under sec. 15 of the Act for an order for payment of such moneys into Court.

As a great many beneficiaries to insurance policies to-day are minors, such as children of the insured, special care should be taken in naming these. The case cited above makes it clear that in the province of Alberta a distinction is made between ordinary moneys and insurance money belonging to a child. In the case of the latter, the court and not the guardian administers the proceeds for the benefit of the child or children.

Another case of Henderson versus Stafford was tried in the Court of King's Bench in Manitoba.

In pursuance of an arrangement made between the plaintiff and her husband prior to their marriage she lent him, after marriage, sums of money to reduce his debts and paid the household expenses, in whole or in part, and he took insurance on his own life, the beneficiary being "Susannah Henderson (wife of the insured)." He delivered the policy to her with the remark that it was her security and she kept it under her control in a drawer in which both he and she kept their personal papers, and to which both had access. Subsequently, without her knowledge, he directed that $2,000 of the insurance moneys should on his death be payable to his daughter by a former marriage. An action was entered by the wife against the daughter, after the insured's death. It was held by the court that the plaintiff had had exclusive possession of the policy and that prior to the apportionment there had been a "pledge" of it to her within the meaning of the proviso to sec. 7 of the Life Insurance Act, and also that the plaintiff was a "beneficiary for value" as contemplated by sec. 15 of said Act as amended by 1920, ch. 61, sec. 2; since the policy had been taken out to protect the plaintiff, not as the wife, but as the creditor of the insured, the description of her as the "wife of the insured" being used only as a means of designating her with more particularity.

There are certain classes of persons, included in which are wives, who are called preferred beneficiaries and who enjoy special protection under the law in each province. The insured cannot change the beneficiary from a person within this class to one outside without that person's consent, but he can change it to any other person in the class without consent. Thus, ordinarily, a change as made in this case would be legal. However, a beneficiary for valuable consideration enjoys preference even over preferred beneficiaries. It is usual in assigning a policy for value to make a written declaration and have it endorsed by the officers of the company and attached to the policy, but in this case the evidence showed clearly that the wife was made beneficiary in return for a money consideration, and the court held this to be legal, even though no written agreement existed. To avoid legal disputes, those accepting assignments of life insurance policies as security should make sure that the provisions in the policy regarding this are fully complied with.

Require Reserve Against All Treaty Reinsurance

In view of the losses which have been sustained from unlicensed re-insurance, a circular was distributed among the Canadian companies last Fall by the Dominion Department of Insurance respecting the security to be maintained by Canadian companies for reserve and losses under treaty re-insurance. Believing that the former request has not yet been fully met by some companies, a further memorandum has been prepared. It reads:

"In view of losses which have been sustained from unlicensed reinsurance, the Department has to request that funds be at all times maintained by the company sufficient to completely cover the full (100%) unearned premium on the business reinsured, together with losses due from the reinsurers. It is possible to fix this reserve as a percentage of the current premiums as much will depend upon the class and rate of increase of the business reinsured.

"All companies having at present unsecured balances from treaty reinsurance accounts should forthwith require from the reinsurers settlement of the accounts and revision of treaties in respect of the security to be retained by the company, and failing such settlement and revision within a reasonable time notice of cancellation of the treaties should be given in accordance with the terms thereof."

Instalments Under Life Policies Exempt From Tax

An application to the Dominion Superintendent of Insurance for a ruling as to taxation of monthly or other instalments payable under a life insurance policy has brought a reply from the Commissioner of Taxation to the effect that these instalments are not part of the taxpayer's income and that therefore the proceeds under an instalment policy are exempt from Income Tax.

Many companies and agents have been concentrating much of their energy recently on this class of insurance. This decision will, no doubt, tend to increase this form of insurance. Added to this is the freedom of the beneficiary from the temptation to invest the proceeds in speculative ventures, resulting in material loss.

Union Fire Involved in Dispute Over Premiums

A writ has been taken out at Osgoode Hall by the Union Fire and Casualty Company of Winnipeg against Robert W. Clewlo, Provincial Agencies, Limited. The amount involved is $24,741.97 on account of principal and interest owing the company, as stated by the officials. Of this $18,098.81 is for fire insurance and $6,357.84 for automobile insurance. The defendant was formerly the registered attorney and chief agent of the company in Ontario. The affairs of the company are now being wound up by a liquidator.

Amend Measure Giving Insurance in 71 Cases

The bill on soldiers' insurance which passed in the House of Commons some time ago has finally been passed by the Senate with one amendment. The bill originally provided for the granting of insurance in 71 disputed cases but the amendment makes them subject to review by the minister in charge of the department.

During the debate it was made clear that no intention existed to deprive deserving soldiers of the protection afforded by the plan, but it was desired to avoid exploitation of the government for the benefit of people not dependents. As a case in point Senator Calder cited an application of a man for a $5,000 policy while he lay dying in a hospital. The beneficiaries were to be his parents, who were in no way dependent upon him.

B. S. Gourlay Joins Staff of Sun Life

It is announced that Robert S. Gourlay, a prominent figure in the piano business for many years, has retired and joined the staff of the Toronto agency of the Sun Life Assurance Company of Canada. He is specializing in corporation insurance, business insurance and insurance for succession duties, and so far he is reported to have met with remarkable success.

His appointment has been the cause of some comment in insurance circles on account of his age. The age at entrance and the qualifications of good life insurance agents have long been a favorite topic of speculation. The experiences of the companies show them to vary widely. In the agency which Mr. Gourlay is joining, the largest personal producer at present entered the life insurance business at 50. Some time ago one of the largest companies in the United States made an extensive investigation of this point. The observations showed the average age (on entering the business) of successful agents was thirty. Certain reasons for this were given. At this age a man has usually had enough experience to judge situations with some degree of accuracy and is not carried away by superfluous and unsound enthusiasm. On the other hand he is still young enough to form new habits of working and capable of learning new branches of business. Moreover his health and vigour tend to be at their best at this age.

However, many companies can point to men who have made an outstanding success as underwriters, and who have begun in the insurance field at more advanced ages. With two qualifications—health and adaptability to new conditions—success is always probable, especially as such beginners have, as a rule, a good personal connection.

The announcement of Mr. Gourlay's appointment brings out a growing tendency of agents to specialize. This is easy to do in the larger centres where insurance prospects are numerous. With the development of business insurance and the practice of providing for succession duties through insurance, the tendency to specialize is increasing.

INSURES WHOLE FAMILY

One agent of a large Canadian life insurance company has recently insured a family in British Columbia for $18,500. The insurance includes $2,000 ten year endowment on the father and on one son, $5,000 twenty pay life, on three sons, $2,500 twenty pay life and $2,000 twenty pay life on each of two sons.

SPECIAL RATES ON LARGER POLICIES REGARDED UNFAIR

Insurance Department Maintains Spirit of Act Being Violated

Certain new forms of life insurance policies which are being issued by some companies in amounts in excess of $1,000 have drawn forth a memorandum from the department of insurance at Ottawa. A section of the Insurance Act of 1917 reads:

"Each company shall deposit and keep deposited with the superintendent a copy of its established rates for all plans of insurance, such rates in the ordinary branch, as distinguished from the industrial branch, being based upon an insurance of one thousand dollars, and shall be applicable to insurance for that amount and pro rata for greater amounts."

The memorandum points out that it is believed that the intention and effect of this subsection is to provide that for all plans of insurance the same rate of premium shall be applicable to policies of $1,000 and upwards as to policies of larger amounts, and the rates of all companies have been filed with the department on the basis of $1,000 of insurance. This has been security for the small insurer that discrimination in the matter of rates will not be exercised against him.

On learning of these policies the department communicated with some companies and these advised that they will not refuse to issue policies for $1,000 or upwards at the same rate when requested to do so by the applicant.

It is admitted, however, by some companies that in the case of policies, less in amount than a stipulated amount used in designating the policy, no commission is payable to the agent, whereas a substantial commission is paid in the case of policies for the stipulated amount and over.

The opinion of the department, as expressed in the memorandum is that this distinction as to commission very effectually nullifies the provisions of the section in the act, and is at best an evasion of the spirit of the act. The communication concludes by asking all companies which have adopted or are about to adopt such policies, to discontinue them.

Insurance men realize the merits of the provision which ensures for the small buyer the same rates on insurance as for those applying or large policies. On the other hand, some regard this phase of the act as unfair. They point out that it often takes less time and selling ability to place a $10,000 policy than one for $1,000. In addition the details involved in handling renewals, premium receipts, notices, etc., are no greater in the case of large policies than small ones, making the expense per thousand on the former much less. The so-called "special" policies are usually issued at lower rates, they claim, in view of the lower expense ratio.

W. H. BOSLEY, second vice-president of the Toronto Real Estate Board, who was elected Canadian vice-president of the National Association of Real Estate Boards at the annual convention held in Cleveland last week, is manager of the real estate department of the Union Trust Company, Toronto.

Don't Keep Him Waiting Too Long!

If your book accounts aren't already protected by American Credit Insurance, there's a representative of our Company waiting to call on you.

He won't take up much of your time, his visit won't commit you to any immediate decision, and he has a message that should be of *vital, dollars-and-cents importance* to you.

He wants to come and see you *now*. If you keep him waiting—whether it be an hour just outside *your* door, or a week, month or year inside of his own office—the results may be the same: unexpected, unforeseen credit losses—for *you*.

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Insurance General Agents, Fire, Hail, Automobile, Miscellaneous.
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Life Assurance Company
HEAD OFFICE
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Branch Offices:
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FIRE AUTOMOBILE MARINE
British America Assurance Co. (Incorporated 1833)
British Empire Underwriters Agency
St. Lawrence Underwriters Agency
Western Assurance Company (Incorporated 1851)
Head Offices: 22 Wellington St. East, Toronto
INLAND TRANSPORTATION
RIOTS and STRIKES EXPLOSION

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

When selecting a Trust Company as an Executor choose one whose fixed policy is to give
Financial Assistance
to Estates being administered by it
PAID UP CAPITAL AND RESERVE $1,240,000
The Imperial Canadian Trust Co.
Executor, Administrator, Assignee, Trustee, Etc.
Head Office, Winnipeg.
Branches: Saskatoon, Regina, Edmonton, Calgary, Vancouver and Victoria.

The Mercantile Agency
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Consult us before extending credit or if customers are delinquent.
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38 King St. W., Toronto, Can.

DOMINION MIGHT PRODUCE THE BULK OF HER IMPORTS

At Least Raw Materials for Manufacture Are Produced Here

TRADE IS IMPROVED

Balance of Trade is With Canada, the Past Year Showing Material Increase in Exports

Canada's exports for 1923 exceed the imports by $129,000,000. Preliminary statistics on the trade of the past year, show that after two years of unfavorable balance the tide has turned. In 1920 the balance in favor of exports was $170,000,000.

A close study of the trade statistics brings out many interesting points, but perhaps the most interesting relates to Canada's imports. That is, that the major portion of Canada's purchases abroad for the past year, totalling $802,000,000, must some time or another be produced in the Dominion. The time is not far distant when Canada should produce the bulk of the main five articles comprising over $600,000,000 of total 1923 imports. These items include textiles, and textile products, iron and products, non-ferrous metals and products, non-metallic minerals and products, chemical and alloy products.

The following shows Canada's trade position at the present time in regard to these products. The figures are for the year 1923:

	Exports	Imports
Textiles	$ 7,850,843	$170,146,958
Iron	51,137,912	138,724,455
Non-fer. mtls.	44,137,912	37,492,604
Non-metallics	27,646,704	139,919,012
Chemicals	14,046,940	25,793,101
	$144,820,314	$512,076,130

Our Purchasing Analyzed

It will be seen from this that in only one of the five items is the balance in favor of exports.

In the case of textile, raw materials make up the bulk of our imports, wool and cotton materials being valued at $113,000,000.

In the case of iron products, rolling mill products and machinery, except agriculture, make up the major portion of this item, it is also noticed that automobile parts, railway cars, etc., are included.

While electric apparatus is the big item in non-ferrous metal imports, copper, lead, nickel, tin, zinc and precious metal products, the raw material for all of which is produced in Canada, make up the balance.

Eliminating coal, which makes up a little better than half of the total of non-metallics, it is found that petroleum, asphalt and their products make up the bulk of the remainder. It is noticed that clay and clay products is a heavy item. Glass and glassware is also heavy. Graphite and its products are also included. In the latter case the raw product is produced altogether in the Dominion.

Dr. Wilson, of the Federal Department of Mines, recently declared that the raw material for 50 per cent. of the chemical products imported into the Dominion, was produced in Canada, while Canada's adverse trade balance in this item is to-day only $11,000,000, it is growing steadily.

Generally speaking, the statistics on imports and exports show the general improvement in world business that has taken place in the past year. The increase in the imports and exports has been fairly wide-spread, and not confined to any particular country. Perhaps the most important change to be noticed in the tables given below will be in regard to our imports from Great Britain.

Comparing 1920 with 1923 imports, it will be noticed that the only material increase has been in our purchases from Great Britain. Our purchases from the United States are $260,000,000 lower. This makes up the bulk of the decline of our purchases from foreign countries.

On the other hand, it will be noted in the export table that not one of our 1920 group of purchasers made the same demand for goods on Canada last year. All of them were heavier buyers last year, however, than in the year 1921.

Of particular interest is the slow but steady growth of Canada's trade with Central and Southern Americas. Trade statistics of 1920 show 1923 to be materially below the total of 1920. In the case of South American centres, however, the situation is different, though the bulk of the increase is in Canada's purchases from those countries.

Comparing the figures for the two years, they are as follows:

	1920	1923
Imports	$28,109,900	$50,259,800
Exports	34,030,000	31,421,000
	$62,139,900	$81,680,800

A Growing Trade

Scandinavian countries are becoming very important purchasers of Canadian products. Canada's exports to these countries are steadily moving upward. The trend of our imports is the same, but the balance is very much in the favor of the Dominion.

Figures on our imports and exports in these countries will be found among the tables below.

The European trade of the Dominion is growing more important from year to year. Particularly striking are the figures of exports and imports with Italy and France. These show a heavy balance in the favor of the Dominion, and in the same class as these two countries may be included Japan on the East.

War trade worked up with Greece, Roumania and other such countries during the war has gradually fallen away, due undoubtedly, not so much to the lack of a desire to buy from Canada, as to the exchange situation. Belgium, Russia and Poland are still buying a fair amount of goods from the Dominion, our exports to any one of them in either of the past two years being equal to our total imports from the three of them for the two years past.

Trade With Germany

The Dominion's purchases in Germany are mounting rapidly, but exports to that country are going up much more quickly.

The following table gives the imports and exports of the Dominion for the past four years. The figures are divided into five totals showing the Empire total separate from that of Great Britain, and the total of the United States separate from the foreign total, and also is included the total imports and exports:

Imports	1920	1921	1922	1923
Empire Total	$ 174,351,659	$ 266,002,688	$149,109,253	$179,557,585
Great Britain	26,362,631	213,973,562	117,135,343	141,287,671
United States	801,097,318	856,176,820	515,958,196	540,917,432
Foreign total	890,176,464	974,156,194	598,695,079	620,907,458
Total imports	1,064,528,123	1,240,158,882	747,804,332	802,465,043
Exports	**1920**	**1921**	**1922**	**1923**
Empire total	$ 561,791,887	$ 403,452,219	$345,835,410	$439,625,892
Great Britain	489,152,637	312,844,871	299,361,675	379,067,445
United States	464,028,183	542,322,967	292,588,643	369,080,218
Foreign total	677,700,211	785,711,482	394,405,270	491,825,551
Total exports	1,239,492,098	1,189,163,701	740,240,680	931,451,443

Below will be found a table of the imports and exports of the Scandinavian countries for 1922 and 1923:

	Imports 1922	Imports 1923	Exports 1922	Exports 1923
Denmark	$ 119,315	$ 113,133	$2,243,181	$ 2,498,342
Finland	2,729	11,161	604,011	1,675,025
Norway	426,928	560,042	3,913,372	2,216,756
Sweden	245,295	485,522	1,220,196	2,574,262
Netherlands	4,002,047	4,958,091	9.582,924	10,540,005

Canada's imports and exports with European countries for 1920 and 1923 for comparative purposes are given as follows:

	Imports 1920	Imports 1923	Exports 1920	Exports 1923
Greece	$ 729,830	$ 467,765	$29,588,984	$ 6,595,589
Roumania	......	27,526	12,953,605	16,161
Belgium	911,407	4,995,093	28,463,855	12,527,524
Russia	14,496	850	1,492,041	1,256,640
Poland		14,980	32,384	1,039,834
Austria	49,732	167,820	33,168	7,478
Germany	44,255	2,567,017	610,528	9,950,877
Turkey	233,478	178,286	2,336,717	1,446,184

	Imports 1922	Imports 1923	Exports 1922	Exports 1923
Italy	1,387,370	1,598,477	15,335,818	12,073,332
France	13,482,005	12,250,376	8,208,228	14,118,577
Japan	8,194,681	7,211,015	14,831,520	14,510,133

Much interest centres about Canada's trade with Central and South American countries. The following tables give the imports and exports for 1922 and 1923 with these various countries. Passing notice is the increase in exports to Cuba in 1923, as compared with 1922. Just at the present time the Maritime provinces are worrying for fear this balance in favor of the Dominion may in a short time time give way to a material deficit. This is due to the threat of the Cuban government to put up the tariff wall against Maritime potatoes.

	Imports 1922	Imports 1923	Exports 1922	Exports 1923
Argentine	$ 2,355,100	$ 3,075,934	$ 3,233,423	$ 4,445,041
Brazil	1,495,245	1,391,136	2,002,449	1,929,067
Bermuda	99,886	94,799	989,113	1,078,149
British Guiana	6,166,664	5,669,471	2,298,105	2,082,684
British Honduras	79,756	67,213	150,964	254,623
Chili	20,471	230,066	290,678	313,850
Colombia	360,509	364,852	127,199	151,044
Costa Rica	60,333	44,104	95,347	89,288
Cuba	13,042,568	11,209,920	3,974,432	5,069,166
Guatemala	237,234	184,257	54,164	86,808
Honduras			143,422	143,904
Mexico	3,798,202	3,850,721	1,197,597	3,291,096
Nicaragua	188,363	14,041	15,478	31,043
Panama		7,945	178,770	224,501
Peru	6,983,403	4,711,644	71,683	415,917
San Domingo	4,065,910	5,956,643	64,497	168,222
Porto Rico	105	758	1,301,979	1,078,982
Uruguay	47,847	310,160	151,291	286,616
Venezuela	294,305	352,895	512,499	747,071
West Indies				
Barbados	2,994,559	4,117,016	1,377,984	1,272,173
Jamica	2,215,531	4,233,195	2,214,164	2,805,012
Trinidad	1,678,658	2,111,302	4,548,535	3,439,091
Other W. I.	1,225,025	1,962,783	1,829,798	2,016,792

Receiver of Rebates on Insurance Liable

A warning has been given recently in the province of Saskatchewan by the superintendent of insurance against the practice of splitting commissions or rebating in connection with hail insurance. He points out that both the agent who allowed such a rebate and the applicant or insured who accepts it are liable to penalties. The warning in this case followed numerous requests at the department for information relative to rebating.

It should be borne in mind that similar restrictions apply all over Canada not only in the use of hail insurance but in respect of all classes of insurance and none but licensed agents are legally entitled to any commission. All insurance agents are required to hold provincial licenses and these must be renewed each year. This system is followed to make it difficult for unscrupulous agents to continue in the business for any period of time, and to prohibit unfair competition and discrimination. For violation of the law the agent may suffer cancellation of his license and there are a number of instances where this provision has been enforced.

London dispatch quotes Secretary Mellon that United States government has no intention of seizing foreign ships bringing liquor, but is only trying to enforce law as interpreted by Supreme Court.

$750,000 of bonds sold in one afternoon

—by Long Distance

A prominent Toronto security house advises us that in one afternoon, working on a list of customers who had been previously advised as to the facts of an offering, with 41 Long Distance calls they sold over $750,000 worth of bonds.

An average sale of over $18,000 per call.

This is only one report of many that reach us, showing how capable salesmen accomplish more by using Long Distance than they could in any other way.

Frank Kennedy
Manager.

THE BELL TELEPHONE COMPANY OF CANADA

Every Bell Telephone is a Long Distance Station.

FIRE ACCIDENT SICKNESS BONDS
AUTOMOBILE BURGLARY PLATE GLASS

Alliance Assurance Co. Limited

OF LONDON, ENGLAND

EXTRACTS FROM THE COMPANY'S REPORT FOR THE YEAR 1922

Premiums	$21,246,642
Interest from Investments	5,505,146
Total Income	$26,751,788

FUNDS OF THE COMPANY

Paid Up Capital	$ 5,000,000
Life Assurance and Annuity Funds	93,243,662
Sinking Fund and Capital Redemption Fund	5,099,887
Fire Insurance Fund	11,432,960
Marine Insurance Fund	5,293,516
Casualty and Miscellaneous Insurance Funds	4,229,032
General Fund	1,142,597
Reserve for Contingencies arising out of the War	350,000
Reserve for Outstanding Claims and other Liabilities	4,963,624
Profit and Loss Account	5,127,111
Total Assets	$135,882,389

($5 taken as equivalent to £1 sterling.)

CANADIAN BRANCH:

39 St. Sacrament Street : MONTREAL

E. E. KENYON, Manager.

Return of the Chartered Banks of the Dominion of Canada, May 31, 1923

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 9, of the Statutes of 1913

LIABILITIES

NAME OF BANK	Capital authorized	CAPITAL STOCK: Capital Subscribed	CAPITAL STOCK: Capital paid up	Amount of Reserve Fund	Last Dividend declared	Notes in circulation	Due to Dominion Government	Due to Provincial Governments	Demand Deposits In Canada	Notice Deposits in Canada
	$	$	$	$	%	$	$	$	$	$
Montreal*	31,175,000	27,250,000	27,250,000	27,250,000	12	37,053,686	22,751,445	11,306,060	122,666,953	303,460,085
Nova Scotia	15,000,000	10,000,000	10,000,000	19,500,000	16	14,018,203	1,160,506	1,322,727	29,653,016	105,098,468
Toronto	10,000,000	5,000,000	5,000,000	6,000,000	12	5,828,658	2,515,101	1,267,727	28,864,578	47,299,928
Molsons	5,000,000	4,000,000	4,000,000	5,000,000	12	4,464,256	522,137	600,858	13,094,519	40,782,149
National	5,000,000	3,000,000	2,986,820	400,000	6	4,513,870	1,911,556	1,186,437	5,504,208	25,878,258
Provincial	5,000,000	3,000,000	3,000,000	1,500,000	9	2,613,244	90,162	196,428	4,114,905	22,906,173
Union†	15,000,000	8,000,000	8,000,000	1,750,000	10	7,419,274	741,111	3,883,639	27,126,049	62,827,012
Commerce	25,000,000	15,000,000	15,000,000	15,000,000	12	20,667,722	8,285,489	4,788,341	97,197,122	159,566,972
Royal	25,000,000	20,400,000	20,400,000	20,400,000	12	26,859,210	1,937,013	1,409,443	86,480,118	181,512,296
Dominion	10,000,000	6,000,000	6,000,000	7,000,000	12	6,479,622	917,933	623,433	27,382,873	65,575,467
Hamilton	7,000,000	5,000,000	5,000,000	4,850,000	12	4,608,012	2,444,054	755,516	13,108,342	39,724,733
Standard	5,000,000	4,000,000	4,000,000	5,000,000	14	4,671,285	1,464,186	489,521	16,326,539	43,012,240
D'Hochelaga	10,000,000	4,000,000	4,000,000	4,000,000	10	5,609,379	623,129	162,577	11,178,119	44,860,651
Imperial	10,000,000	7,000,000	7,000,000	7,500,000	12	9,528,046	1,172,942	3,777,858	27,961,476	62,453,684
Home	5,000,000	2,000,000	1,960,474	550,000	7	1,616,640	321,432	2,276,538	6,565,100	13,310,131
Sterling	3,000,000	1,266,600	1,234,300	500,000	8	1,129,077	4,307,134	1,035,629	3,819,477	11,280,099
Weyburn Security	1,000,000	655,700	524,560	225,000	7	299,107	48,295	4,933	911,309	1,453,134
Total	187,175,000	125,572,300	125,356,154	126,425,000	....	157,379,291	51,213,625	35,087,665	521,954,703	1,231,001,480

NAME OF BANK	Deposits Elswhere	Loans from Banks in Canada	Balance due to Banks in Canada	Due to Banks in the U.K.	Due to Banks Elsewhere	Bills Payable	Acceptance under letters of Credit	Other Liabilities	Total Liabilities	Loans to Directors	Average Gold and Coin Held	Average Dominion Notes Held	Greatest amount notes in circulation
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	79,205,703	....	3,146,502	167,103	264,521	1,011,798	3,548,854	889,482	585,472,199	492,927	28,971,250	67,043,215	40,728,182
Nova Scotia	31,768,879	....	1,548,422	180,396	1,473,097	165,955	680,592	5,598	187,075,863	947,392	9,575,358	9,443,630	15,455,700
Toronto	....	....	332,879	....	1,491,464	....	337,737	151,076	88,089,152	563,151	988,534	5,953,611	6,480,218
Molsons	....	....	221,092	72,519	205,236	....	367,523	419,156	60,749,449	124,893	596,165	3,083,004	5,135,546
National	6,626,770	....	3,133	3,051	150,455	200,000	....	102,836	46,080,579	416,015	441,700	1,127,000	4,941,355
Provincial	....	....	3,813	....	1,162	....	....	165,740	30,091,630	....	178,365	225,121	2,869,769
Union†	5,557,383	....	378,300	1,617,888	1,675,454	....	2,130,531	209,090	113,565,734	744,607	1,171,001	7,807,078	7,987,744
Commerce	41,956,863	....	341,311	468,980	7,273,091	1,276,057	7,210,027	454,828	349,486,809	1,215,813	15,118,000	22,340,000	22,803,320
Royal	144,518,378	....	845,131	1,031,097	15,028,681	4,102,334	3,369,536	623,141	467,716,381	577,438	10,129,974	24,106,545	29,251,018
Dominion	3,910,837	....	1,720,230	171,574	1,797,512	498,343	804,711	419,072	110,301,610	247,723	2,039,000	6,031,000	7,299,111
Hamilton	....	....	68,763	32,533	506,626	....	257,606	....	61,506,186	978,694	905,787	2,373,571	5,180,117
Standard	....	....	1,659,741	700,256	1,328,982	364,162	227,728	174	70,244,819	76,191	1,730,955	3,350,078	5,088,860
D'Hochelaga	....	....	....	119,207	455,476	....	111,793	102,064	63,222,397	107,760	529,664	3,003,455	6,236,984
Imperial	....	....	46,794	928	577,461	....	157,971	....	105,677,162	91,850	1,917,958	8,866,497	10,485,397
Home	....	....	3,744	133,796	1,045,950	....	....	25,174	25,298,508	214,230	231,040	1,134,000	1,821,400
Sterling	....	....	234,419	17,093	167,432	....	15,544	6,688	22,012,597	167,343	67,224	705,893	1,167,820
Weyburn Security	....	....	....	....	13,364	....	....	54,933	2,785,078	121,073	18,576	93,980	325,572
Total	313,544,813	....	10,554,274	4,716,421	33,455,964	7,618,649	19,220,153	3,629,052	2,389,376,153	7,087,100	74,610,551	166,686,678	173,258,113

*Bonds of the Merchants Realty Corporation to the extent of $2,835,000 secured on premises leased to the Bank are in the hands of the public. These bonds do not appear in the above Statement, as the Bank is not directly liable therefor.—Footnote to Bank of Montreal return.
†Bonds of the Canadian Realty Corporation, Ltd., to the extent of $2,650,000, secured on premises leased to the Bank, are in the hands of the public. These Bonds do not appear in the above Statement, as the Bank is not directly liable therefor.—Footnote to Union Bank return.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Deposit for note circulation	In Central Gold Reserves	Notes of other Banks	Cheques on other Banks	Balances due from banks in Canada	Due from bank's in United Kingdom	Due from Banks elsewhere	Government Securities	Canadian municipal, British and foreign Securities
	$	$	$	$	$	$	$	$	$	$	$
Montreal	29,945,989	67,180,109	1,620,000	16,000,000	3,190,045	21,528,000	....	2,913,981	7,731,173	144,214,252	29,934,755
Nova Scotia	9,629,348	8,820,246	477,948	6,000,000	2,917,491	9,413,087	78	262,135	1,775,105	30,985,772	9,574,698
Toronto	995,278	7,459,789	270,354	1,950,000	501,050	7,835,572	....	9,298	890,826	15,482,799	3,249,385
Molsons	605,469	2,632,378	193,000	1,500,000	494,205	3,223,505	7,359	308,570	1,122,795	6,032,092	1,259,479
National	455,053	1,064,788	108,500	2,100,000	604,411	1,660,278	1,565	....	731,793	16,244	5,954,814
Provincial	184,612	256,966	150,950	....	490,594	1,765,892	2,089,396	12,644	193,692	2,677,091	2,975,371
Union	1,192,161	7,113,803	395,000	300,000	774,720	4,855,528	57,302	788,394	2,183,900	20,033,953	7,337,494
Commerce	9,562,308	19,808,320	750,000	9,300,000	2,922,162	13,262,828	....	447,647	11,705,077	33,704,713	12,488,799
Royal	10,766,061	23,870,439	1,020,000	10,000,000	26,154,758	21,306,364	....	1,106,881	20,957,251	28,052,163	15,063,409
Dominion	2,088,483	8,985,530	300,000	1,700,000	725,303	5,636,141	252	281,899	2,055,519	15,360,800	3,758,179
Hamilton	931,700	2,932,569	250,000	500,000	468,515	2,161,376	456,599	84,891	490,709	3,171,647	2,771,118
Standard	1,780,995	3,880,943	200,000	1,300,000	336,836	3,789,679	100,000	54,729	531,152	8,667,346	2,450,423
D'Hochelaga	574,673	2,865,546	200,000	2,300,000	967,357	3,141,194	695,383	32,905	494,346	3,696,507	5,822,597
Imperial	1,927,359	9,010,771	329,040	4,502,533	1,168,265	5,619,375	971,048	327,063	1,613,073	13,113,293	4,654,965
Home	238,085	2,618,998	100,000	....	301,836	1,867,636	102,082	183,448	937,288	346,059	221,339
Sterling	67,461	1,131,119	66,000	....	119,547	798,393	5,000	27,556	130,675	11,351,964	1,333,852
Weyburn Security	19,008	90,526	23,547	....	24,117	19,681	281,040	....	67,915	213,813	13,314
Total	70,964,043	169,722,840	6,454,339	57,452,533	42,161,212	107,884,529	4,767,104	6,842,041	53,624,299	237,181,508	108,883,991

NAME OF BANK	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere	Other Current Loans in Canada	Other Current Loans elsewhere	Loans to Provinces	Loans to municipalities	Overdue debts	Real Estate other than premises	Mortgages on real estate sold	Bank premises Less written off	Letters of Credit	Other Assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	2,983,656	6,161,635	117,334,402	227,433,499	18,274,293	1,592,843	28,114,130	1,012,656	493,502	693,596	10,000,000	3,548,854	*1,327,498	643,228,876
Nova Scotia	6,830,834	10,100,344	14,896,426	80,853,336	12,397,256	....	4,048,101	239,731	58,846	177,204	7,316,342	680,592	190,970	217,646,902
Toronto	1,610,151	4,984,311	....	48,663,145	....	....	2,613,426	397,903	....	....	3,474,927	337,737	....	100,725,957
Molsons	1,802,756	4,628,781	....	40,875,596	....	....	1,497,556	26,533	49,055	24,897	3,122,153	367,523	386,219	70,669,931
National	8,443,403	234,458	....	25,683,897	....	....	338,712	811,826	397,653	322,475	193,834	....	411,986	49,545,697
Provincial	1,376,600	5,012,500	....	14,502,896	....	....	1,425,914	215,052	5,500	10,075	1,268,995	....	148,312	34,763,069
Union	†2,452,505	3,193,416	1,512,305	56,749,140	2,653,340	1,787,347	3,602,683	350,749	221,943	379,440	2,370,554	2,130,531	‡1,193,335	123,689,554
Commerce	6,514,651	15,523,492	20,037,917	172,599,029	21,787,183	2,929,235	11,532,456	630,350	894,138	191,391	7,612,096	7,210,027	129,001	381,643,831
Royal	11,317,050	15,969,411	49,360,375	153,187,120	95,276,624	116,620	8,832,789	462,791	1,707,857	137,818	12,342,406	3,369,536	89,534	511,477,264
Dominion	1,951,613	6,441,185	8,524,863	56,365,401	1,405,586	....	1,198,912	337,854	46,513	21,250	6,185,600	804,711	373,386	124,572,989
Hamilton	412,587	7,593,709	....	39,377,738	....	25,925	5,132,314	316,015	678,620	131,960	3,393,468	257,606	347,940	71,887,043
Standard	927,434	3,644,839	....	47,575,081	....	....	1,896,831	361,471	280,540	49,100	1,893,143	227,728	69,018	80,017,346
D'Hochelaga	920,175	5,681,426	1,000,000	36,010,078	....	....	2,026,655	417,842	293,660	612,494	3,622,342	111,793	74,424	71,561,405
Imperial	407,793	3,732,944	2,250,000	57,743,768	....	309,840	6,303,518	418,360	445,002	346,534	5,636,358	157,971	556,807	121,545,695
Home	2,998,372	1,272,686	....	15,767,320	22,748	....	79,012	95,110	87,288	102,220	433,196	....	143,361	27,918,095
Sterling	294,575	75,332	....	7,544,721	....	....	110,461	20,169	12,640	7,568	586,834	15,544	105,798	23,805,220
Weyburn Security	....	....	....	2,135,420	....	....	71,012	142,789	117,427	40,848	210,858	....	62,308	3,533,629
Total	51,257,211	94,350,470	214,916,288	1,083,057185	152,817,030	6,761,810	78,824,482	6,757,241	5,790,184	3,248,870	69,663,106	19,220,153	5,609,897	2,658,232,503

Column No. 4. Of this deposit $9,502,533 is in gold coin; the balance is in Dominion notes.
*This amount includes $886,000 bonds of the Merchants Realty Corporation held by the Bank, that were not issued to the public.—Footnote to Bank of Montreal return.
†This amount includes $999,300 of Stock of the Canadian Realty Corporation, Ltd., held by the Bank.—Footnote to Union Bank return.
‡This amount includes $1,150,000 of Bonds of the Canadian Realty Corporation, Ltd., held by the Bank which were not issued to the public.—Footnote to Union Bank return.
DEPARTMENT OF FINANCE, OTTAWA, JUNE 26th, 1923.

CANADA HAS BIG ADVANTAGES IN SUPPLY OF PULP

Curtailing Exports Will Build Up Our Paper Mills

CONSERVING SUPPLY

Present Rate of Cutting Will Exhaust Forests in Comparatively Short Time Without Reforestation

During the recent debate in Parliament over the proposal to stop the exportation of pulpwood, one of the honourable members, speaking in opposition, said that he viewed with alarm the loss of the American market for the pulpwood cut by the settlers. But, apparently, as pointed out by Frank J. D. Barnjum, in an open letter, he said:

NO CAUSE FOR ALARM in the fact that these same settlers, by carelessness in burning their refuse, are destroying millions of dollars' worth of raw materials which might otherwise be utilized by our great wood-using industries, (second only in importance to agriculture itself,) to say nothing of the losses they are inflicting on themselves and their fellow-settlers in the destruction of their homes and other property.

NO CAUSE FOR ALARM in the fact that Canada, by allowing foreigners to exploit its raw pulpwood, is supplying fifty or more foreign pulp and paper mills, in competition with our own, with cheap raw material and that Canadian workers are being thereby forced to follow the raw material out of the country in order to find employment in its conversion.

NO CAUSE FOR ALARM in the fact that we have already this year sustained the greatest forest fire losses in Canada's history, with the possibility of having the whole of the northern forest area of Ontario, Quebec and New Brunswick completely devastated before the year is over.

NO CAUSE FOR ALARM in the fact that our losses from freshets this year, due entirely to forest devastation, have exceeded anything before recorded.

NO CAUSE FOR ALARM in the fact that immense damage was sustained by our power and storage dams in the spring due solely to the same cause, nor in the fact that many of our large industrial plants are forced to close down or to run on part time only for four or five months in the year owing to lack of water.

NO CAUSE FOR ALARM in the fact that our agricultural industry itself is menaced by the condition that is fast approaching and that threatens to turn our crop-growing lands into vast deserts.

Continuing, Mr. Barnjum says:

Another honorable member of the House voiced fear of American retaliation if Canada took steps to protect its rapidly dwindling supply of pulpwood. This can only cause humiliation to a people who have behind them the history and the prestige of the greatest world power ever known, the British Empire. In addition to that, it is pure bunkum. When have the politicians of the United States waited for a cause for "retaliation" when it was to their interest to put the screws on Canada and to bar out practically everything which we could export to that country except such things as they are obliged to have, including raw materials and pulp and paper? We have a remedy for this, if we would use it, in building up an inter-Empire trade.

The anthracite coal bogey was also brought out in the discussion, our alleged dependence on the United States and the possibility of reprisals in the shape of cutting off our coal supply being held up before us. So long as the American coal producers have coal to export—when not at the mercy of mine and railroad strikes—they are only too glad to supply the Canadian market. It is only a short time ago that G. H. Cushing, one of their largest coal operators, publicly stated in Montreal that the American coal producers valued highly the Canadian market and were prepared to fight for it, if necessary. If the Alberta mines he said, reduced their price 25 cents a ton, the Americans would cut theirs 50 cents, and if the Welsh mines, which have recently found a market in Canada, reduced their price one dollar the Americans would cut theirs two dollars. This does not look as though the Americans would deprive themselves of the Canadian coal market just out of spite, but it does prove that when our parliamentarians talk of a coal embargo they are using political bunk.

Still another honorable member undertook to compare pulpwood with wheat and other farm crops and to say that interference with the exportation of one was no more justified than with the other. He overlooked the fact that we have a surplus of farm crops but are fast developing a famine in pulpwood. He failed to mention that a farm crop can be reproduced every year, while it takes from fifty to a hundred years to reproduce a crop of pulpwood. There is no analogy between the two. It was also suggested by an honourable member that some pulp and paper interests might be using the writer to further their selfish ends. In reply to this, I will say that I will pay ten thousand dollars in cash to any one who can show where one single dollar, paid or promised, has been contributed to the forest conservation campaign carried on by me, other than the $100,000 or more which I have expended out of my own pocket, or who can show that there is or has been associated with me in the work any individual or interest who had any profit to gain by the work I have carried on. In so far as being interested on behalf of any pulp or paper industry is concerned, I would add that if I had my way not another live growing tree would be cut in Canada for twenty-five years for any purpose whatever. I have advocated this policy in many of the articles I have published. I know this is not possible to bring about and that the cutting of trees will continue while there is a tree left standing. The next best method to adopt is to see that what trees are cut shall be manufactured in Canada so that Canadians may at least reap the full benefit of their own devastation.

The fact must also be borne in mind that with increased investments in pulp and paper mills we should have far greater forest protection than we do where only pulpwood operators, who have no interest other than to get the wood shipped out of the country at the smallest possible cost and who, leaving nothing but a lot of slash and inflammable debris behind them, are the chief beneficiaries of our present forest policy.

A further argument in support of the embargo which the Government has undertaken to impose, is that the large investments in new mills in Canada which will follow its enforcement, will augment considerably the federal and local revenues derived from income and other taxes and thereby assist in lightening the load of the Canadian taxpayer which, everybody agrees, is altogether too burdensome.

CAR SHORTAGE AND THE FUEL SUPPLY

Canada Would Do Well to Consider Shipments of Coal From Wales

NEW YORK.—Unless some solution is found for the car shortage problem which is already beginning to rear its head on the skyline, coal merchants with a Canadian business tell your correspondent that Canada may find it almost as difficult to obtain American soft coal next winter as it did last. The car problem is worrying the coal merchants not so much because their fear that Canadian users of American bituminous will be greatly inconvenienced by a repetition of their troubles of last winter but because they fear the outcome of negotiations they know Canada is now carrying on with the British coal operators. British coal, one of these American merchants told THE FINANCIAL POST, can easily be made to serve as a substitute for American bituminous. Last year's price was in most cases an obstacle; this year it may not be if the coal miners get the increase in wages they are already demanding. If to an increase in coal prices is added transportation difficulties, in this man's opinion, the United States stood a very good chance of losing the Canadian coal market altogether.

While Canada is believed to favor British coal, THE FINANCIAL POST is told that the Dominion Government is exerting considerable pressure on Washington in an attempt to force some solution of the car problem. In this it is being actively supported by the larger coal interests who feel that a repetition of the car shortage of last fall will not only make it much easier for their British competitors to sell coal in Eastern Canada but will entail a situation in the United States which will be as bad if not worse that the situation which prevailed last fall.

OUTLOOK STILL FOR BIG CROPS ON THE PRAIRIES

Conditions in Other Parts of Canada Fair to Good

Conditions pertaining to agriculture at the end of June are declared by people resident in the prairie country for many years to be the most favorable ever experienced in Western Canada. For three-quarters of the month, good rains fell in practically every portion of the grain country and the result is unquestionably satisfactory. The grain is growing with amazing speed and when the three provinces are considered in the aggregate, from eighty to ninety per cent. is in the "shot blade" stage.

The June rainfall in most sections surpasses any year wherein meteorological records were compiled. June is usually a month of great anxiety among grain farmers. A dearth of moisture at the growing period in June is generally very serious. Usually the bulk of the annual rainfall occurs in April and May. This year there were good rains in both the months referred to, but June has outshone (or out-rained) either. Only scattered damage has occurred from storms or from excess of moisture and the rains have prevented effectually the grasshopper pest from getting in its "dirty work" in certain areas where they were reported in abundance at the commencement of June.

Altogether optimism for a very large crop, probably a hundred millions of bushels larger than any wheat crop in the history of the West, is held. And, judging from the propitious conditions prevailing in all sections of the prairies, there seems to be considerable ground for even that high hope. Conditions in British Columbia are also very good. The situation in the interior is regarded as the best in fifteen years.

In the Maritime provinces backward weather has to some extent been offset by June rains, but conditions vary in many districts. In New Brunswick there was much dry weather in June and the hay crop is below the average. Grain, roots, corn and potatoes are backward. The apple crops, except early varieties, will be light; strawberries good but late; vegetables below average; pastures poor. Nova Scotia reports vigorous growth in June with crops, although planted late, growing rapidly and promising good yields. At some points, however, the June rains were light and growth not so rapid. Thus while in some parts of the province there will be a heavier hay crop than usual, with potatoes, corn and roots making a good showing, in other sections hay will be light with only a fair prospect for other crops. In Prince Edward Island the season is late. June was cool and dry until the close. The hay crop is late but cereals, potatoes and roots have been growing well and promise full crops.

May Use Canadian Ports to Evade U.S. Liquor Regulations

Irritating Restrictions are not Likely to be Calmly Withstood by Nation Which has "Ruled the Seas"—Canada Would Reap the Benefit.

By J. FRIEND DAY.

It looked for some days as if the British-U. S. relations were to be seriously strained over emigration and liquor difficulties at New York, Boston and Philadelphia. A section of our American friends became wildly excited in demanding strict technical enforcement of some of their port regulations. And British professional diplomats could see no way out, when last week along came Rear-Admiral Sir Guy Gaunt, M.P., with a notice in the British House of Commons that the government should consider advising British steamships to make Halifax their point of arrival and departure in North America, stating in his question that the time to New York is exactly the same via Halifax and rail as by direct sailing; that there are better berthing facilities at Halifax; and that international difficulties connected with immigration laws and domestic legislation are constantly arising with the United States, concerning which there hangs a story:

The Buckrose Division of Yorkshire has returned Radical members to parliament for the past 37 years; the majorities have never been very big, in fact, in the 1886 election the Liberal was returned by a majority of one, which, on a recount, was turned into a Conservative majority of six. Last November the Radicals, with a previous 6,000 majority in their favor, were quite confident of holding the seat, more particularly as the Conservative candidate made his first appearance in the constituency only a month before the election, was an Australian by birth, a rear-admiral by profession, and was practically unknown even by reputation. When the poll was declared on November 16, 1922, it was found that Admiral Sir Guy Gaunt had been returned with a majority of 601 out of a total vote of 23,400.

It is general knowledge that the Bonar Law government inherited, among other troubles, the problems of the Volstead Act as interpreted by the United States with progressive severity. The evolution of that act, its internal and external applications, has been in turn a source of amazement, amusement, and irritation, and its extension on to the high seas has been a development in international law which cannot be condoned even by sophistries of Pussyfoot Johnson about taking his dog into England.

When the Supreme Court of the U. S. ruled that foreign shipping came under the Act within the three-mile limit, it seemed that sealing up the stores would be sufficient. This was not sufficient to satisfy the zeal for legal purity which is so strongly in evidence over the border, therefore ship liquor supplies were to be raided and destroyed. A nation which allows its constitution to be broken at every election in the small matter of preventing negroes voting in the South; a nation whose states' laws are honored in the breach rather than in the observance, suddenly wakened to the fact that an Act of Congress was sacrosanct, inviolable, superior to the law of nations, and had to be enforced even to the breaking-point of friendships. This law could not be tampered with in administration—note the significance—but somehow, if Great Britain would sanction a 12-mile limit, this impotent, helpless administration would manage to make a treaty to override that which it claimed was beyond its power to modify. The artifice deceives no one, hardly anyone, that is, except extremist reformers who want to be deceived, but there it is, and the daily press gives evidence of the use of the "big stick" according to the gospel of U. S. diplomacy. The British Empire has been built on sea-power, and extensions of international law in maritime affairs have a peculiar interest to Great Britain. There seemed to be grave doubt as to what action should be taken at Westminster, soft phrases and "marking time" being the governmental contribution to the settlement of the difficulty. It was emphasized that "American friendship" must not be injured; that unwise opposition might endanger a century-old confidence, and so forth, while the rights of the civilized world—including those of Great Britain—were being interfered with on the high seas, against the municipal law of several countries which is quite as important and very much older than the Volstead Act.

Whatever was the cause of the British weakness in this matter, the lawyers got together and began to spin legalist webs; the House of Lords—now as often before the last rostrum from which freedom-loving Britishers may speak their mind without fear or favor—came out pretty strongly on the rights of nations; Lords Birkenhead and Curzon stated the principles and practice of existing international law as they affected the U. S. actions, but the Commons killed one or two private members' bills which would have asserted British rights, and appointed committees of investigation instead.

The lawyers pored over Grotious, forgetful that that venerable gentleman had been dead for some centuries, and had died before anyone had dreamed of a Sahara-like world; others, more modern, considered the works of Oppenheim; none seemed desirous of grappling with a condition, but all looked for subtleties, and legal niceties, and precedents. Then arose the bluff, cheery admiral from Buckrose Division and suggested: "......international difficulties connected with domestic legislation are constantly arising with the U. S."—therefore use Halifax. The solution was simple, drastic, pro-Canadian and thoroughly Imperial. Like many good things, it had been overlooked because it was so obvious, until the Australian sailor drew attention to it.

A British policy which directs British shipping to Halifax will be of Imperial and national value beyond computation. The passenger traffic to the interior alone will materially help to ease railroad deficits; conveyance of mails and freight will still further ease them, and one more step will have been made toward making the Empire self-contained.

The man who has brought this British solution into the limelight is one of those who entered public life for the first time during the last election. He looks like a coming man, and will prove worth watching. He is the son of an English barrister who made his home under the Southern Cross, and was naval attache and acting ambassador at times at Washington during the early days of the war, where he was extremely popular with all classes on account of his good tact and bluff ways. He has paid several visits to Canada and knows the country well; his quiet notice to the House of Commons shows that he appreciates the strategic significance of Canada and her seaports.

CHEAP OIL HITTING MINING INDUSTRY

British Columbia Coal Mines Find Close Competition in California Oil

Special Correspondent.

VICTORIA.—Coal production in British Columbia is being seriously affected by the increasing fuel oil competition from the United States. Oil is selling from $1.15 to $1.40 per barrel, according to the quantity purchased. With 4½ barrels of oil equivalent to one ton of coal, the oil is costing on a ton basis from $5.18 to $6.30 delivered, compared with steam coal at $6.60 a ton at tide water on quantity orders—so one of the largest Vancouver Island operators reports. This firm has but one of four mines working that produce steam coal and on a 1,000 ton a day basis. This is one-third of the peak production and the mines are working fewer days a month.

The curtailment of production is not so serious as the fact that it makes mining unprofitable. Operators are advocating an additional one cent per gallon duty on fuel oil as a solution of their problem. The increased use of the Diesel engine is largely responsible for the use of fuel oil. A good many industrial plants and boats in British Columbia, however, are equipped for the use of either oil or coal due to the fluctuation in the oil supply.

SOME COMBINES ARE ALL RIGHT

Depends Whether the Idea is to Facilitate Trade or Increase Prices

That combines can be used to further business interest and made a public benefit or they can be misused to the detriment and injury of the public, was the statement made by Hugh Blain, Eby-Blain, Ltd., Toronto, in connection with a talk on the Combines Investigation Act before the wholesale grocers at St. Andrews. Combines, he said, were an outcome of advanced efforts and were usually the joining together of able men to consider advanced ideas for intensive business. They usually facilitate and seldom restrain trade. Legislation on this continent has usually been to hamper combines whereas in Great Britain to regulate them. In 1889, Hon. Clarke Wallace brought in a bill to suppress combinations. The senate included the word "unduly" in regard to prices that were charged by a combine and this was the first step in regulating them, and acknowledging that there were two kinds of combinations. In 1910 Mackenzie King introduced an amendment. In 1919 the Act was again amended to be operated by the Board of Commerce. The operation of it by the board was declared ultra vires by the British Court, and the new bill of Premier Mackenzie King takes its place.

Mr. Blain considered that the passing of this act placed business on a new basis in its relation to commerce. It makes it legal for manufacturers to fix a resale price. Premier King had told Mr. Blain that there was nothing in the bill to prevent a manufacturer fixing a price to the retail trade as long as it was not detrimental to the general public. The Premier agreed that the bill would give the right to the manufacturer to refuse to sell anyone who did not maintain his price. In the original bill it only required the complaint of one to bring about an investigation. When this point was taken up a change was made requiring six British subjects and this was amended by the Senate to read that complaints must be made under oath. This, he said, would prevent application from one malicious agitator. The provisions of the act would give an opportunity, he thought, for serious consideration as long as a fair registrar had the operation of the bill in his charge.

The Consolidated Mining and Smelting Company reports ore receipts at Trail Smelter for the period June 15, to 21, amounting to 6,129 tons, 5,592 tons of which were produced by the company's mines, and 537 tons by other mines. From January 1, to June 21, the receipts totalled 217,225 tons.

B.C. LUMBER EXPORTS WILL MAKE RECORD

Increasing Business Indicated by the Figures Covering Business of Recent Years

Special Correspondent.

VICTORIA.—It is confidently expected that the export of lumber will reach a total of 400,000,000 feet for 1923. With the 1915 export figures at 50,000,000 feet and those for 1922 at 273,000,000 feet the growth of the British Columbia lumber export business is apparent. Canadians will realize with satisfaction that the increase in this trade is in large measure due to the availability of boats of the Canadian Merchant Marine. These boats have made the B. C. lumber exporters independent of United States bottoms and have made deliveries assured when and where wanted—a very essential condition.

For the first three months of 1923 over 105,000,000 feet of lumber have been exported with the Southern United States and Japan the biggest purchasers. It is also expected that the log cut for this year will be 25 per cent. in excess of that of the largest previous year, 1920.

DUCKS GIVE PROMISE OF A NEW INDUSTRY

Production of Eider-down Along St. Lawrence Looms as Profitable Venture

A new industry of considerable magnitude is developing in Eastern Canada along the St. Lawrence River. It is the production of eider-down. The presence of thousands of eider-ducks along the rocky shores and islands provide a potential source of supply which is in demand in commerce. Several ornithologists have been conducting investigations in the gulf and details of their findings are given in a bulletin of the Natural Resources Department.

The production of eider-down is not injurious to the species because it is not necessary to kill the birds to get the down. In fact where the most down has been collected it is found the birds increase most in numbers. These birds become as tame around human habitants as barnyard fowl. The eider-ducks pluck the down from their bodies to line their nests and it is from the nests that the down is gathered. Two collections of down are made each year, the first being made shortly after the nests are built. This procedure does not interfere with the hatching of the eggs, as the ducks immediately provide a new supply. The second collection is made after the eggs are hatched and the nests abandoned for the season.

Brings High Prices

The down is valued highly and the prices range from $2.50 to $5 a pound. It is much sought after for the manufacture of quilts, comforters, etc., owing to the fact that it combines a minimum of weight with a maximum of warmth. Each nest, it is estimated, supplies slightly over an ounce of down per season and at the present prices each nest should produce from 30 cents to 50 cents worth of down each year. The crop of down in Iceland has shown a steady increase since the protection of the birds was seriously undertaken with the object of developing the industry. An idea of the value placed on eider-ducks in Iceland is gained from the fact that recently an island, eight square miles in extent, sold for approximately $200,000 on account of the eider-down produced.

Knocks and Knockers

Opportunity seems to go on th' theory that we kin all afford t' lose. Some folks never question Opportunity. They seem t' think Providence has sent him.

Tipton Bud heard a knock on his door a year or so ago an' bought $900 worth o' minin' stock. He thought it was his Opportunity, but instead it was th' agent's.—Abe Martin in Farm Life.

MAPLE LEAF MILLING COMPANY, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that Dividends have been declared for the quarter ending July 3rd, 1923, of 1¾% (per cent.) on Preferred Stock, and two per cent. on Common Stock, payable July 18th, 1923, to Shareholders of record at close of business July 3rd, 1923.

By order of the Board.

JOHN CARRICK,
Secretary.

DIVIDEND NOTICE

Toronto Finance Corporation, Limited

The ninth regular quarterly dividend has been declared at the rate of 8% per annum on Preferred Stock of record June 30th, 1923, payable July 14th, 1923.

BROOK SYKES,
Secretary-Treasurer.

June 25th, 1923.

Western Grocers Limited

NOTICE OF DIVIDEND

A dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of Western Grocers Limited, has been declared for the quarter ending 30th of June, 1923, payable July 1…, 1923, to shareholders of record June 30th, 1923.

By order of the board,

W. P. RILEY,
President.

Winnipeg, June 25th.

Monarch Mortgage & Investments, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend at the rate of 8 per cent. per annum has been declared on the Preference Shares of Monarch Mortgage & Investments, Limited, for the half-year ending June 30, 1923, payable July …, 1923, to shareholders of record the 30th day of June, 1923.

By order of the Board.

E. A. TANNER,
Secretary.

Toronto, June 26, 1923.

DOMINION TEXTILE COMPANY LIMITED

NOTICE OF DIVIDEND

A dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th June, 1923, payable July 16th, to shareholders of record June 30th.

By order of the Board,

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 1st June, 1923.

Abitibi Power & Paper Co. Limited

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of One Dollar ($1.00) per share has been declared on the Common Stock of the Abitibi Power and Paper Co., Limited payable on the 20th day of July, 1923 to shareholders of record at the close of business the 10th day of July, 1923.

By order of the Board

L. R. WILSON,
Secretary.

Howard Smith Paper Mills Limited

Common Dividend Notice

Notice is hereby given that a dividend of 1½% on the Common Stock (being at the rate of 6% per annum) of the HOWARD SMITH PAPER MILLS, LIMITED, has been declared for the quarter ending the 30th day of June, 1923, payable on the 20th day of July, 1923, to Shareholders of record at the close of business on the 10th day of July, 1923.

By order of the Board.

HAROLD CRABTREE,
Secretary.

Montreal, June 25, 1923.

Howard Smith Paper Mills Limited

Preferred Dividend Notice

Notice is hereby given that a dividend of 2% on the Preferred Stock (being at the rate of 8% per annum) of the HOWARD SMITH PAPER MILLS, LIMITED, has been declared for the quarter ending the 30th day of June, 1923, payable on the 20th day of July, 1923, to Shareholders of record at the close of business on the 10th day of July, 1923.

By order of the Board.

HAROLD CRABTREE,
Secretary.

Montreal, June 25, 1923.

PENMANS LIMITED

Dividend Notice

Notice is hereby given that the following Dividends have been declared this day for the quarter ending 31st July, 1923.

On the Preferred Stock, one and one-half per cent. (1½%) payable on the 1st day of August to Shareholders of record of the 21st day of July, 1923.

On the Common Stock, two per cent. (2%) payable on the 15th day of August to Shareholders of record of the 4th day of August, 1923.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, June 25th, 1923.